

# CALIFORNIA HEALTH CARE ALMANAC



## California Employer Health Benefits Survey: Workers Feel the Pinch

JANUARY 2014

# Introduction

Employer-based coverage is the leading source of health insurance in California as well as nationally. This edition of the annual California Employer Health Benefits Survey provides an overview of the landscape in the lead-up to implementation of the Affordable Care Act (ACA) in 2014.

Overall, the findings suggest that, compared with recent years, California workers are less likely to be offered employer-based coverage, and those who are covered pay more in premiums and cost sharing. Workers may continue to see costs rise next year: Over 40% of surveyed firms said they are likely to increase what workers pay for their premiums in the coming year, and 34% plan to increase employees’ deductibles. Nevertheless, because this survey was conducted during the immediate lead-up to ACA implementation, the 2013 numbers may not signal important trends.

**KEY FINDINGS INCLUDE:**

- The proportion of California employers offering coverage has declined significantly over the last decade, from 69% in 2000 to 61% in 2013.
- Coverage is offered to employees at a higher rate at larger firms, firms with higher wages, and firms with some union workers.
- Since 2002, premiums in California rose by 185%, more than five times the state’s overall inflation rate.
- Average monthly premiums for single coverage in California were \$572 in 2013, compared to \$490 nationally. For family coverage, monthly premiums were \$1,442 in California and \$1,363 nationally.
- California workers paid an average of 22% of the total premium for single coverage and 33% for family coverage in 2013, significantly higher shares than the previous year.
- California’s HMO premiums have been higher than the national average since 2010 — a change from the previous decade.
- Nearly one-third of covered workers in small firms had a deductible of \$1,000 or more for single coverage in 2013, up from just 7% in 2006. In large firms, only 9% had a deductible of \$1,000 or more.
- One in four California firms reported that they reduced benefits or increased cost sharing in the last year.

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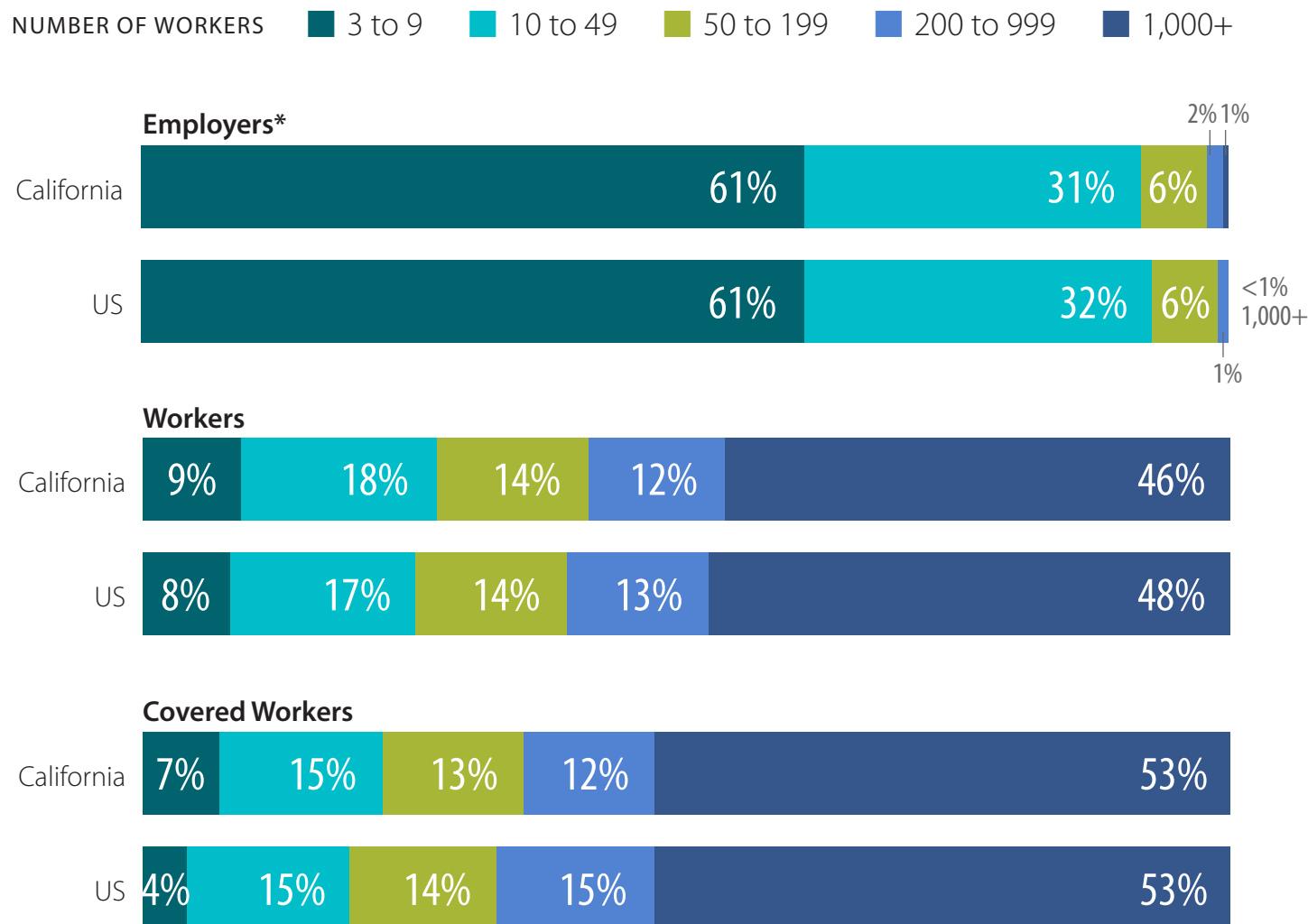
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# Employers, Workers, and Covered Workers, by Firm Size

## California vs. United States, 2013



### California Employer Health Benefits

#### Overview

California firms with fewer than 50 workers accounted for 92% of all employers, but just 27% of all workers and 22% of covered workers.

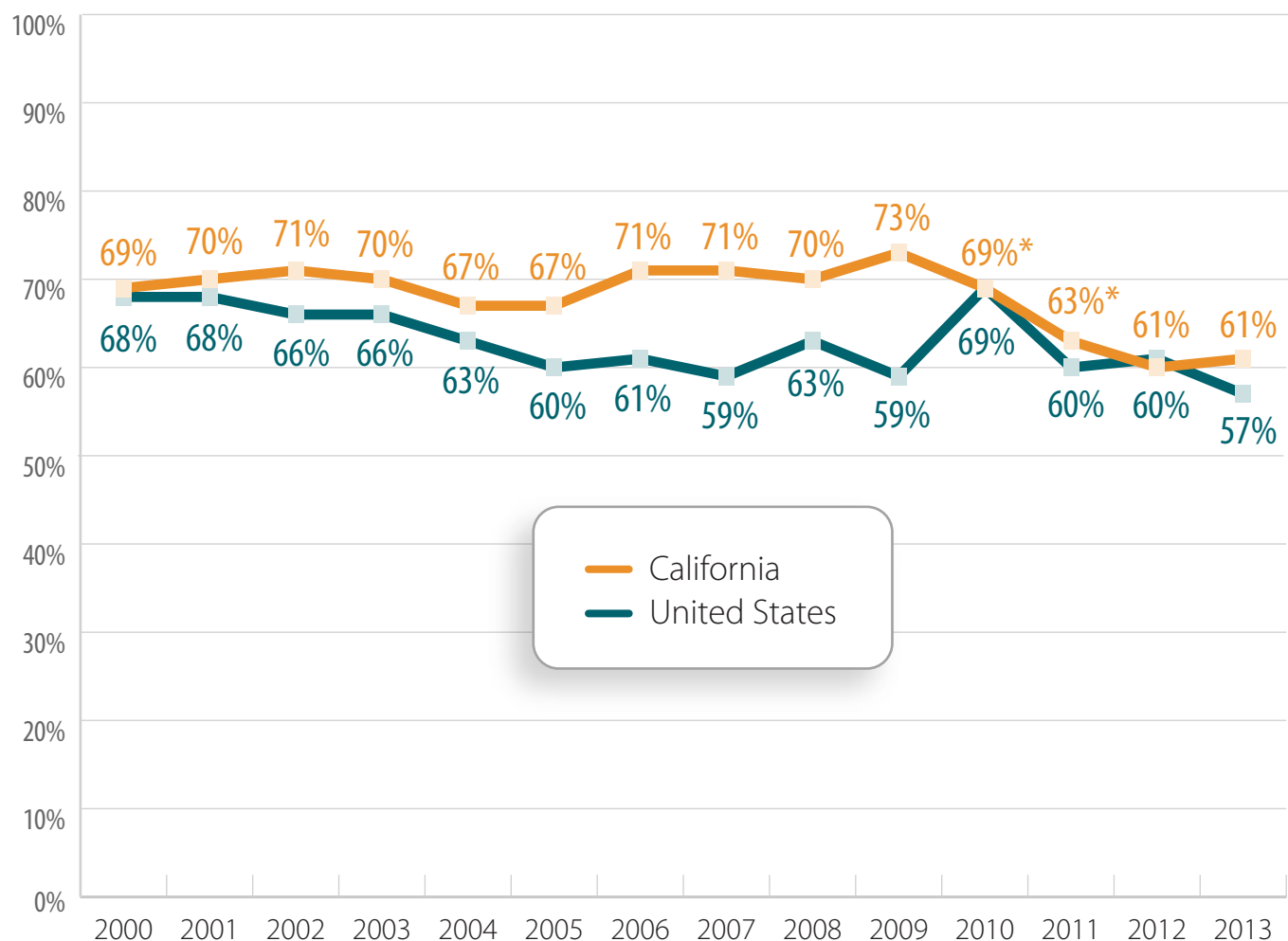
\*Estimates are statistically different between California and US.

Note: Values may not add to 100% due to rounding.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; author analyses of data from Kaiser/HRET Survey of Employer-Sponsored Health Benefits public use file: 2013.

# Employers Offering Coverage

## California vs. United States, 2000 to 2013



\*Estimate is statistically different from the previous year shown.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007–2013; CHCF/HSC California Employer Health Benefits Survey: 2005–2006; CHCF/HRET California Employer Health Benefits Survey: 2004; Kaiser/HRET California Employer Health Benefits Survey: 2000–2003; Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000–2013.

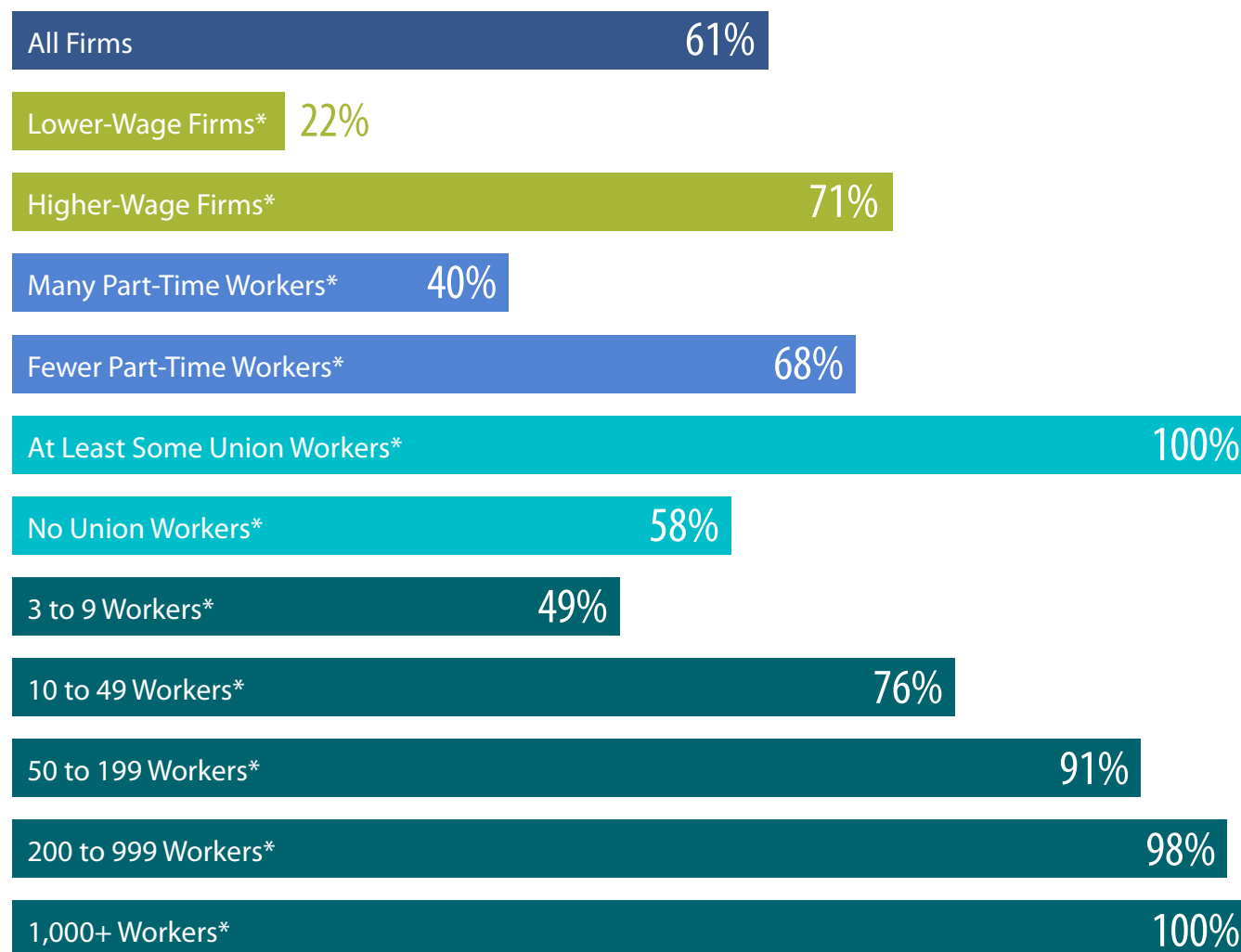
### California Employer Health Benefits

#### Coverage Availability

A shrinking proportion of California employers offer health coverage to their workers. Since 2009, the offer rate has declined significantly, from 73% to 61%. The 2013 California offer rate is similar to that of the nation as a whole.

# Employers Offering Coverage, by Firm Characteristics

## California, 2013



\*Estimate is statistically different from all other firms.

Definitions: **Lower-wage firms** are firms with 35% or more of workers earning \$23,000 or less per year. **Higher-wage firms** are firms with less than 35% of workers earning that amount. **Many part-time workers** is defined as 35% or more of the workforce working part time. **Fewer part-time workers** is the inverse.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

### California Employer Health Benefits

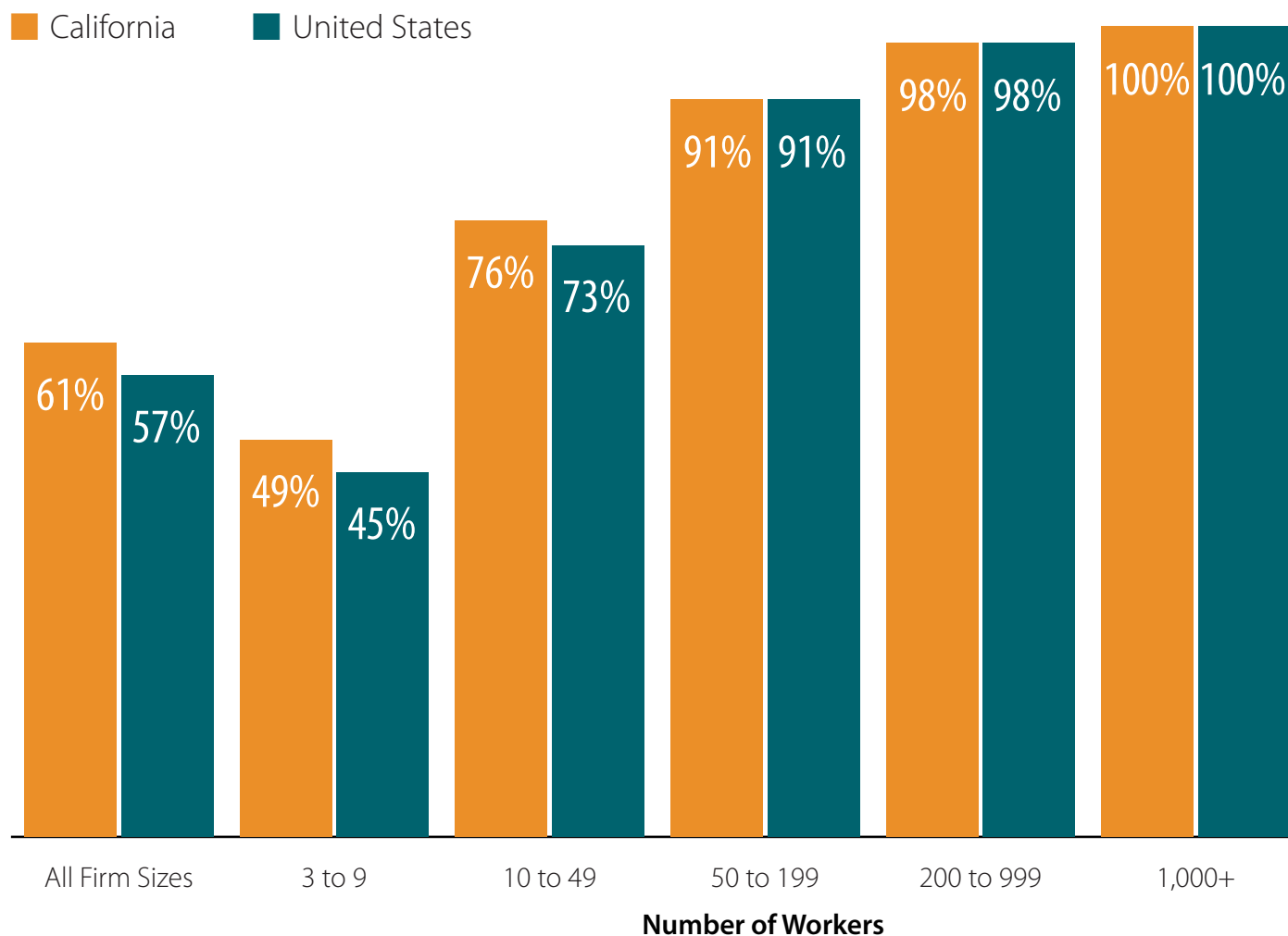
#### Coverage Availability

Offer rates varied widely by firm characteristics. As firm size increases, so does the offer rate. Only 22% of lower-wage firms offered health benefits in 2013, versus 71% of higher-wage firms.

Employers with at least some union workers were significantly more likely to offer coverage than those with no union members on staff.

# Employers Offering Health Benefits, by Firm Size

## California vs. United States, 2013



### California Employer Health Benefits

#### Coverage Availability

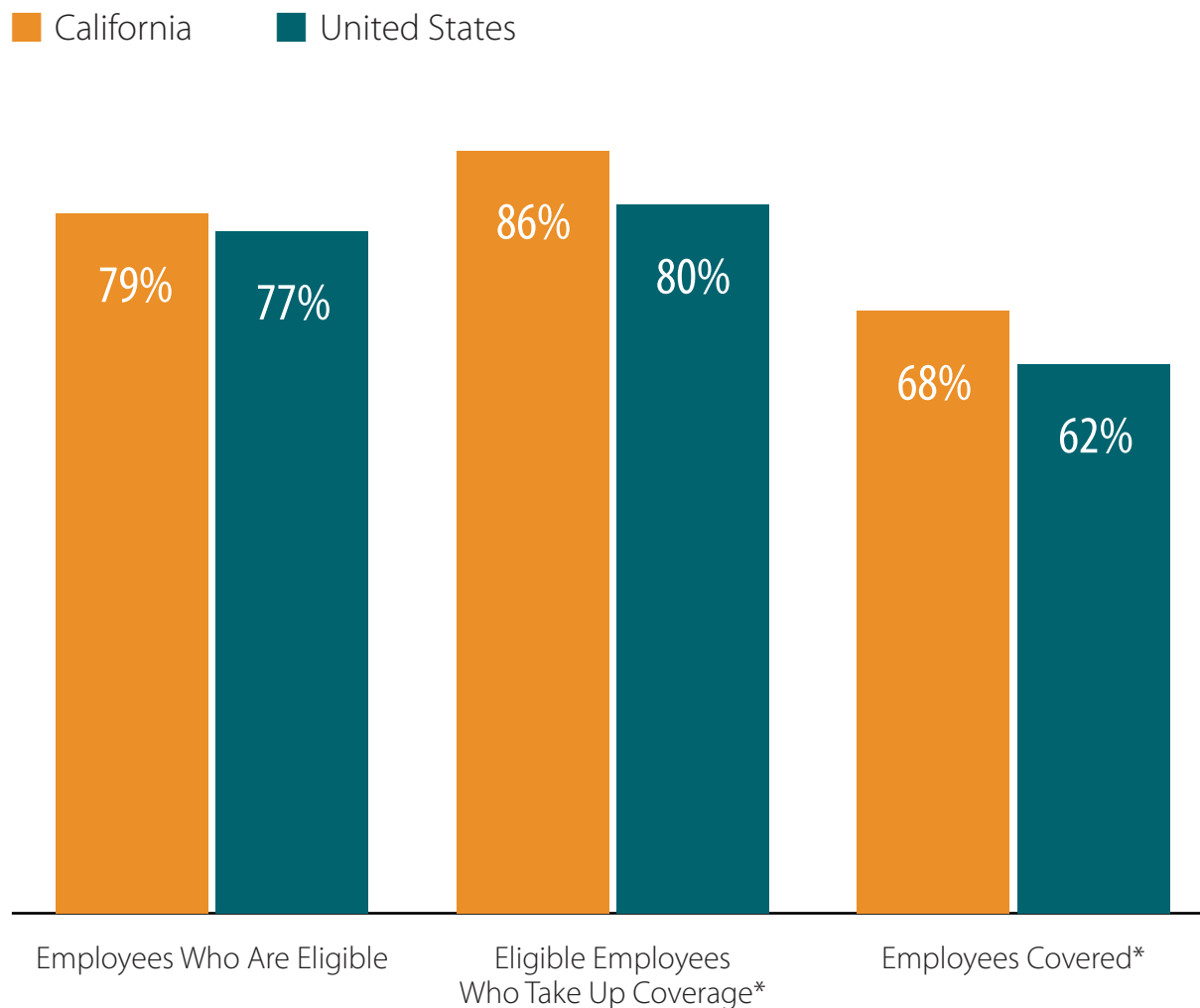
Slightly less than half of California's smallest firms (3 to 9 workers) provided coverage in 2013, while the vast majority of larger firms did so. Offer rates for California firms were comparable to nationwide rates.

Note: Tests found no statistically different estimates between California and US.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; author analyses of data from Kaiser/HRET Survey of Employer-Sponsored Health Benefits public use file: 2013.

# Employee Eligibility, Take-Up Rates, and Coverage

## California vs. United States, 2013



\*Estimates are statistically different between California and US.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2013.

### California Employer Health Benefits

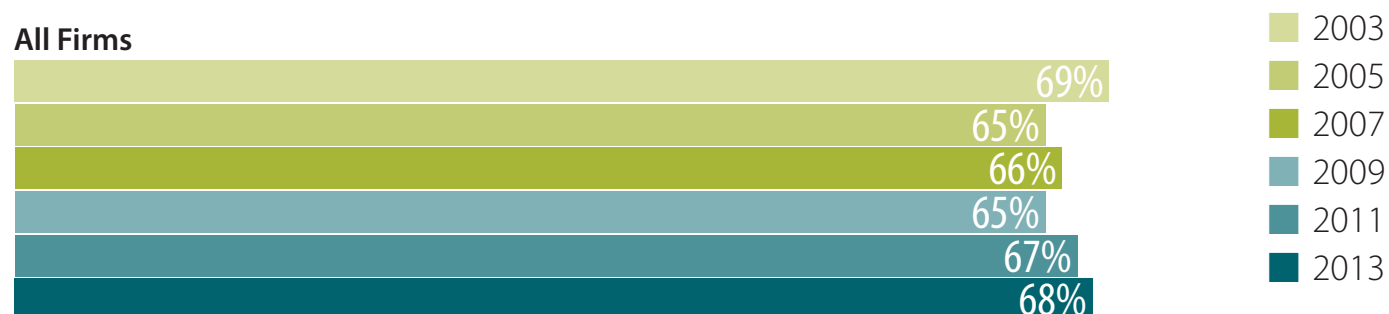
#### Coverage Availability

Seventy-nine percent of California workers in firms that offered coverage were eligible for health benefits, and 86% of those elected to enroll. Overall, 68% of employees received coverage from their firm in 2013.

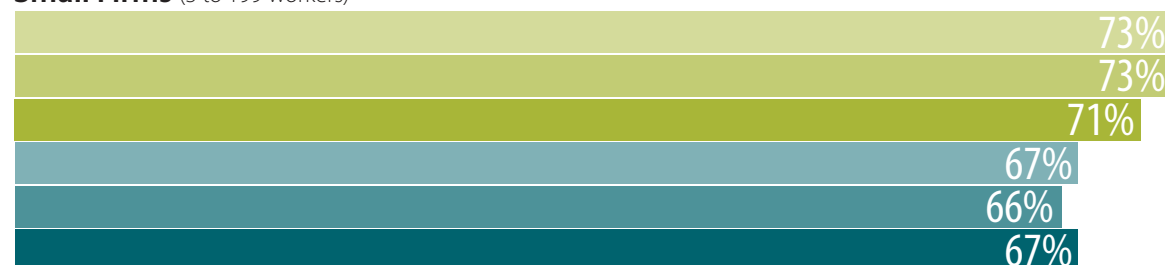
# Worker Coverage Rates Among Firms Offering Health Benefits

## by Firm Size, 2003 to 2013, Selected Years

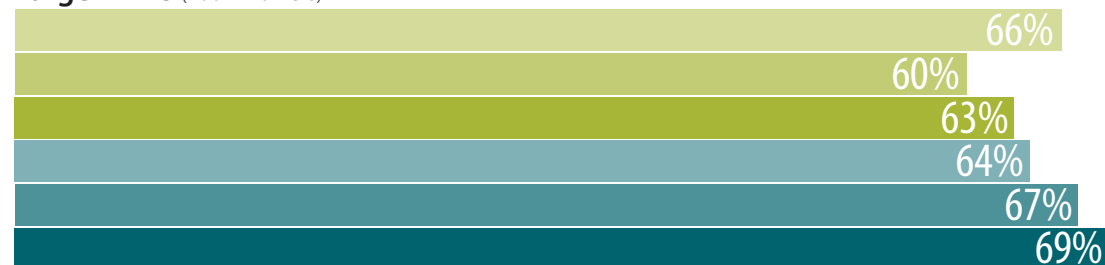
### All Firms



### Small Firms (3 to 199 workers)



### Large Firms (200+ workers)



## California Employer Health Benefits

### Coverage Availability

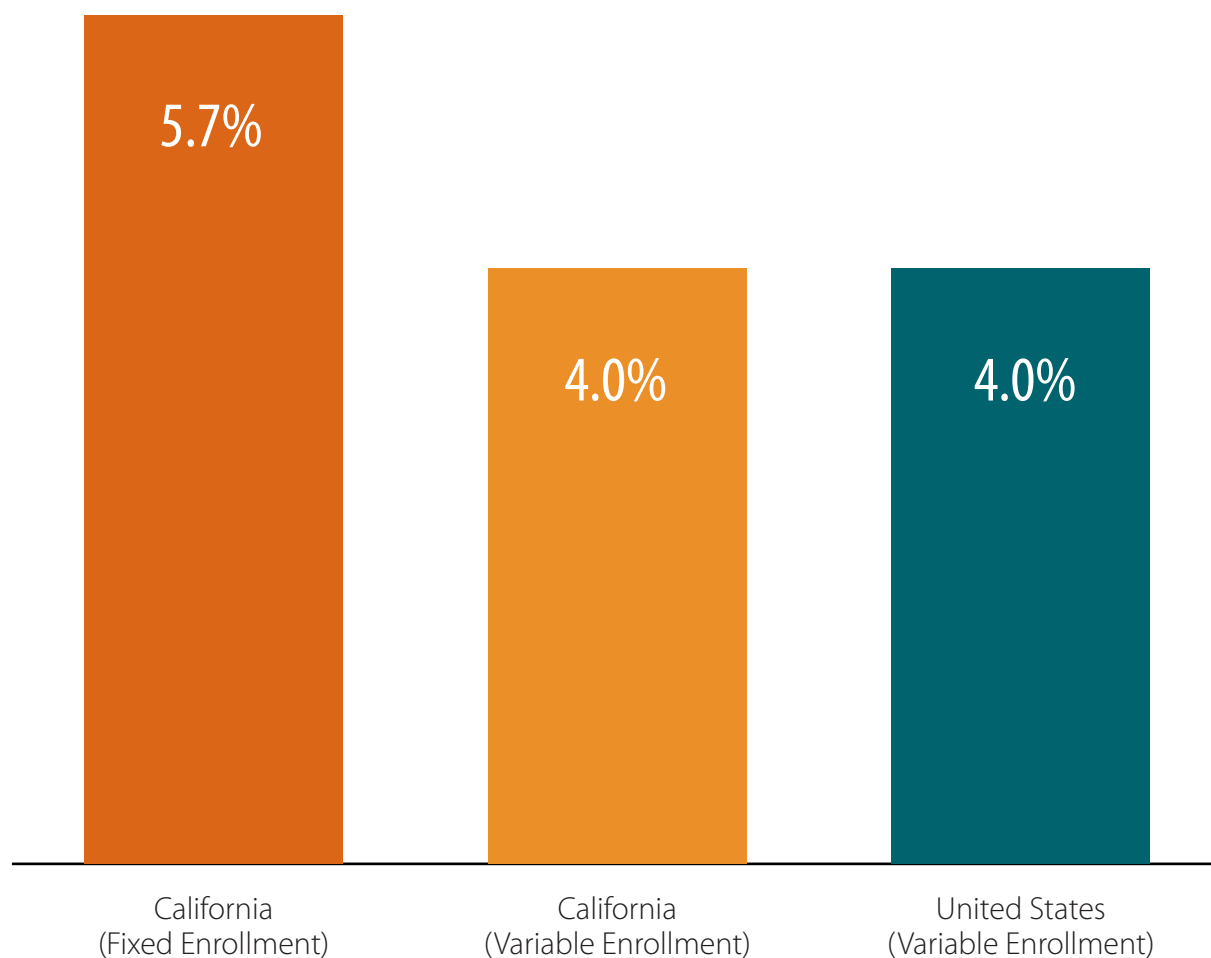
Insurance coverage rates among California employers offering health benefits have been fairly stable since 2003.

Note: Tests found no statistically different estimates from previous year shown within firm size.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007, 2009, 2011, 2013; CHCF/HSC California Employer Health Benefits Survey: 2005; Kaiser/HRET California Employer Health Benefits Survey: 2003.



# Average Increases in Premiums, Family Coverage by Product Enrollment Status, California vs. United States, 2013



## California Employer Health Benefits Cost of Health Insurance

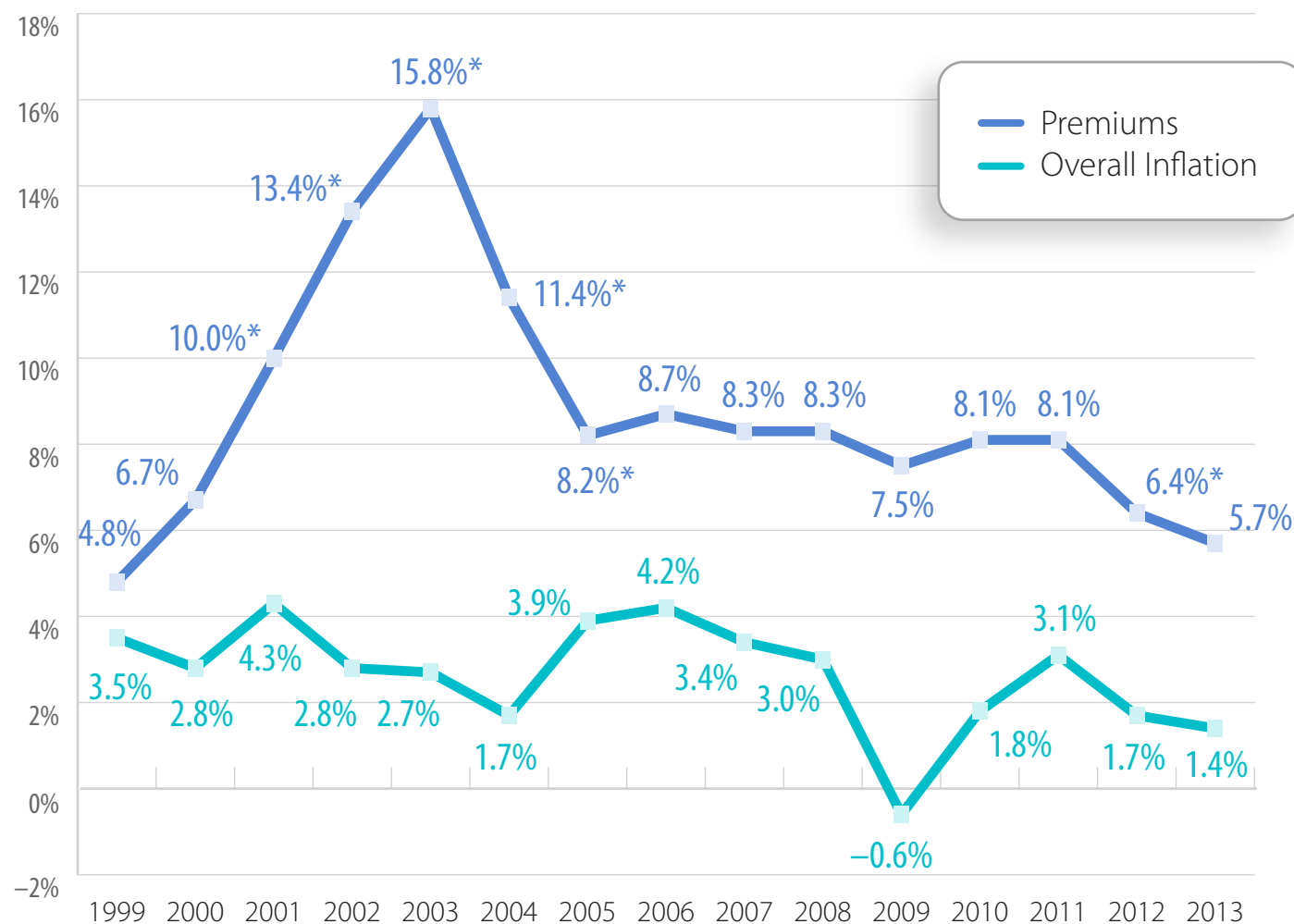
Among California firms that offered the same health plan or plans in 2012 and 2013 (fixed enrollment), the average family coverage premium increase for those plans was 5.7%.

When the calculation includes California firms that changed plans or had workers who switched plans (variable enrollment), the average family premium increase was 4.0%.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2013.

# Premium Increases Compared to Inflation

## Family Coverage, California, 1999 to 2013



\*Estimates are statistically different from the previous year shown.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007–2013; CHCF/HSC California Employer Health Benefits Survey: 2005–2006; CHCF/HRET California Employer Health Benefits Survey: 2004; Kaiser/HRET California Employer Health Benefits Survey: 1999–2003; California Division of Labor Statistics and Research, Consumer Price Index, California Average of Annual Inflation (April to April) 1999–2013.

### California Employer Health Benefits

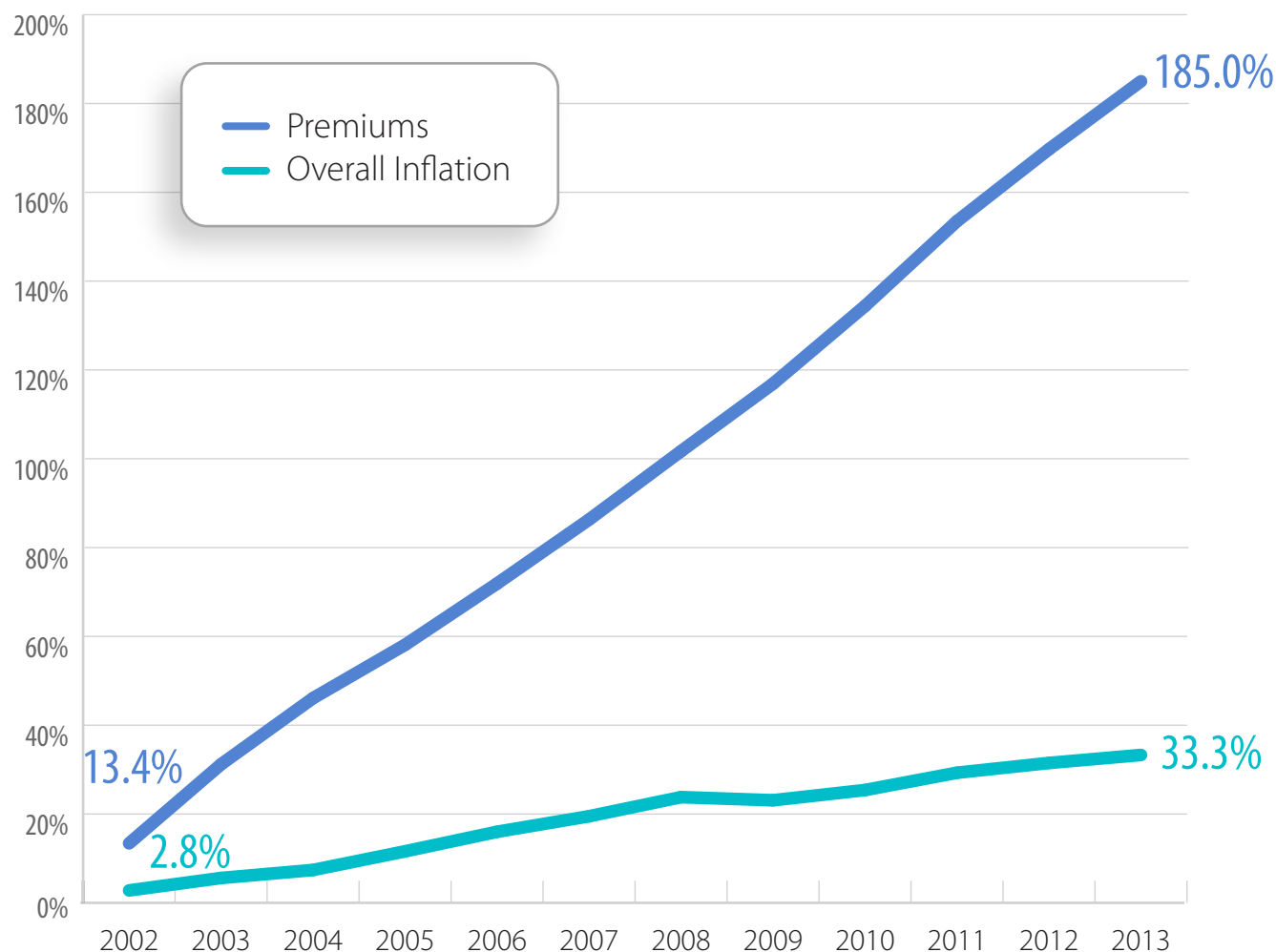
#### Cost of Health Insurance

Premiums for family coverage in California grew by 5.7% in 2013, a second consecutive year of decline in the rate of growth. However, premiums continued to rise much faster than the California inflation rate.

# Cumulative Premium Increases Compared to Inflation

## Family Coverage, California, 2002 to 2013

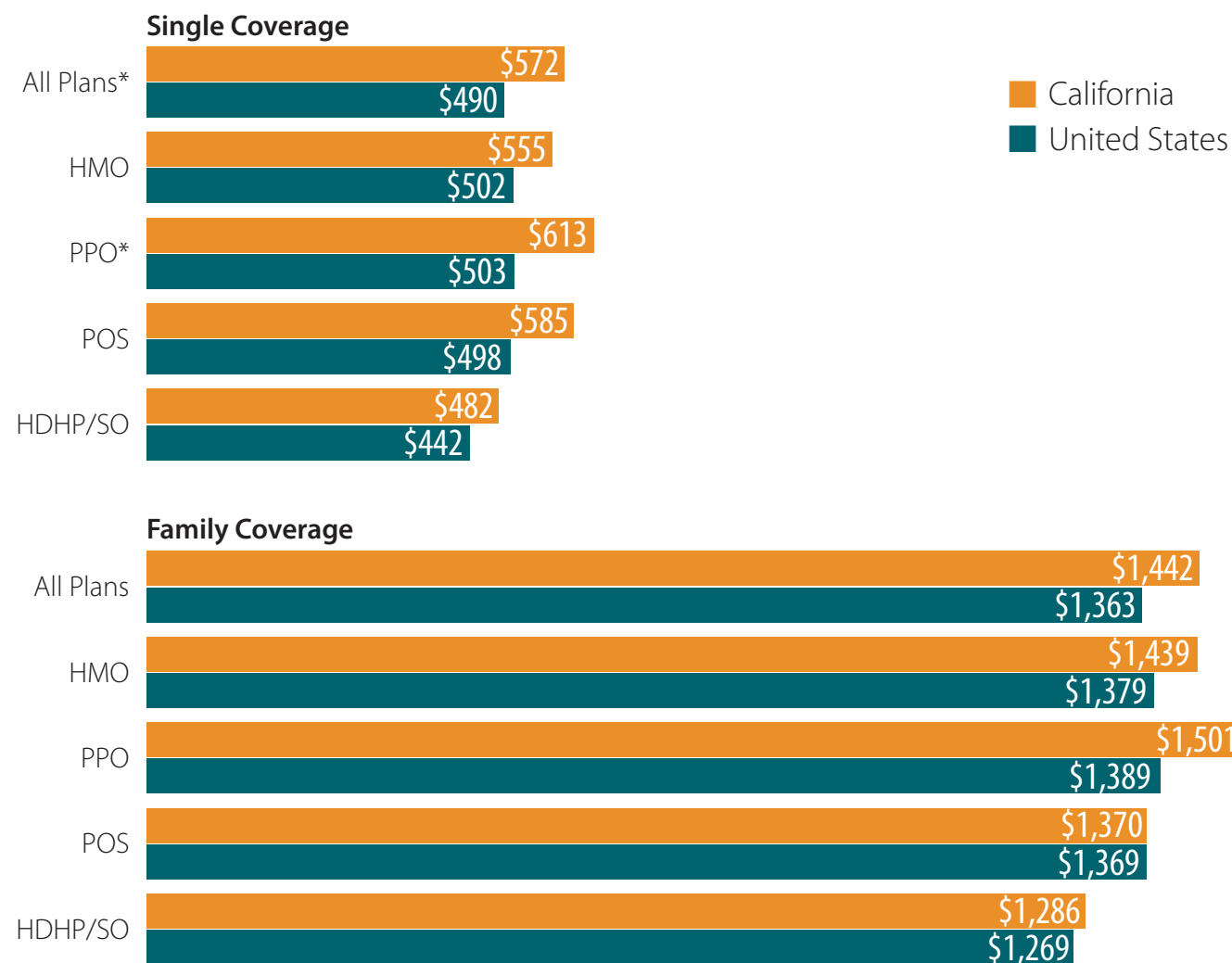
Since 2002, premiums for family coverage in California have increased by 185%, more than five times the 33% increase in the state's inflation rate.



Sources: CHCF/NORC California Employer Health Benefits Survey: 2007–2013; CHCF/HSC California Employer Health Benefits Survey: 2005–2006; CHCF/HRET California Employer Health Benefits Survey: 2004; Kaiser/HRET California Employer Health Benefits Survey: 2002–2003; California Division of Labor Statistics and Research, Consumer Price Index, California Average of Annual Inflation (April to April) 2002–2013.

# Average Monthly Premiums, by Plan Type

## California vs. United States, 2013



\*Estimates are statistically different between California and US.

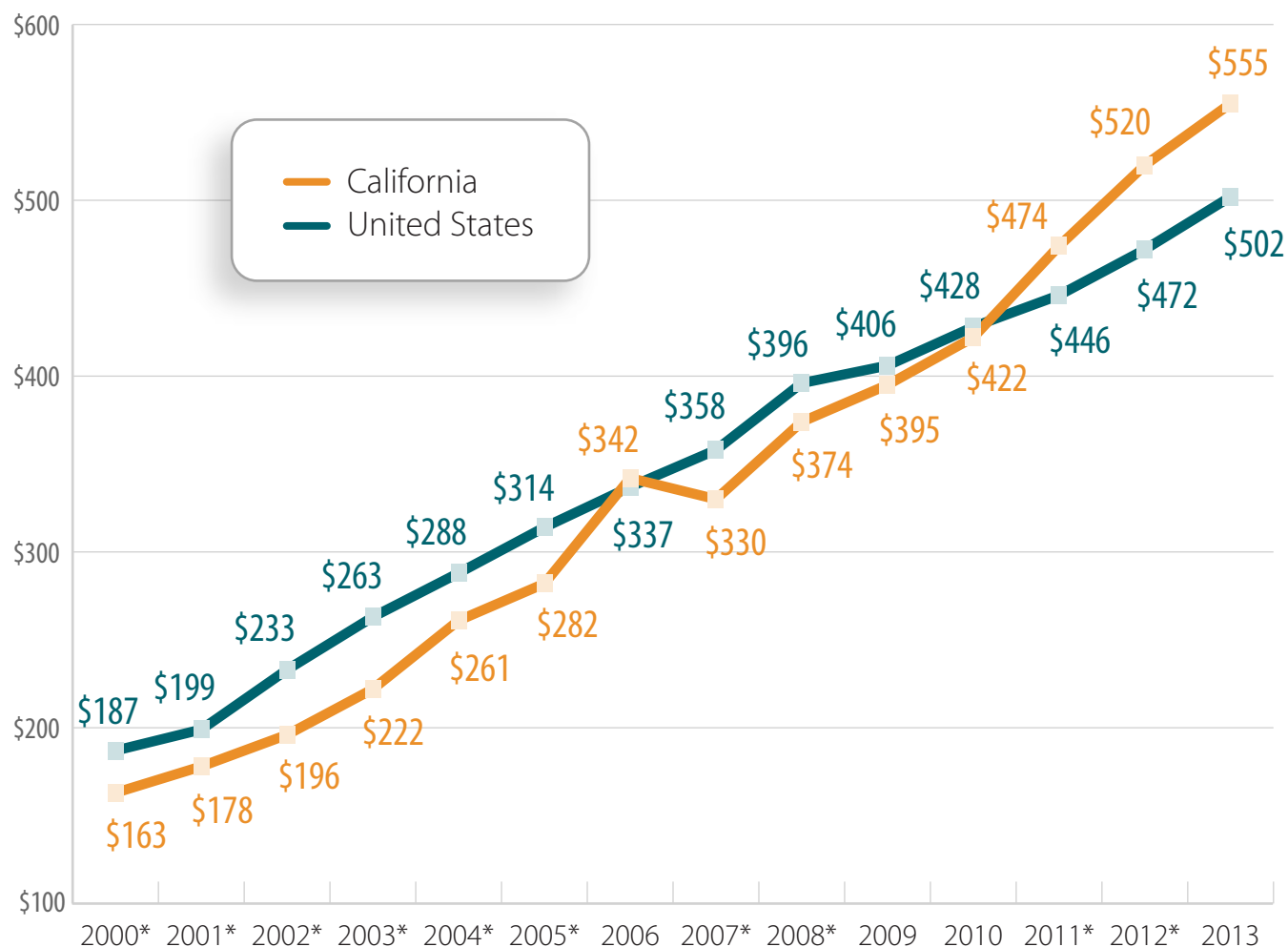
Notes: POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; Kaiser/HRET Employer Health Benefits Survey: 2013.

Average monthly premiums for single coverage were significantly greater in California than nationally. High-deductible health plans with a savings option had the lowest average monthly premium.

# Average Monthly HMO Premiums, Single Coverage

California vs. United States, 2000 to 2013



\*Estimates are statistically different between California and US.

Notes: Annual rate of change for HMO single premiums should not be calculated by comparing premiums from one year to the next, due to both the survey's sampling design and the way in which plan information is collected. Rates of change in family premiums are collected directly as a question in the survey (no change data for single premiums are collected).

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007–2013; CHCF/HSC California Employer Health Benefits Survey: 2005–2006; CHCF/HRET California Employer Health Benefits Survey: 2004; Kaiser/HRET California Employer Health Benefits Survey: 2000–2003; Kaiser/HRET Employer Health Benefits Survey: 2000–2013.

## California Employer Health Benefits

Cost of Health Insurance

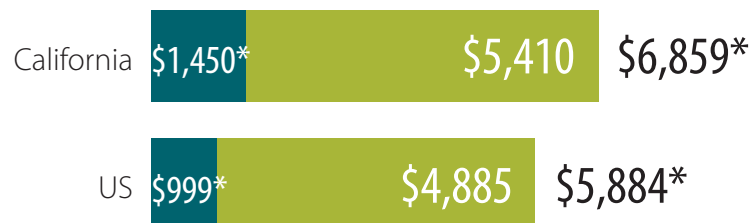
In a change from the previous decade, California's HMO premiums have been higher than the national average since 2010.

# Annual Worker and Employer Premium Contributions

## California vs. United States, 2013

■ Worker Contribution ■ Employer Contribution

### Single Coverage



### Family Coverage



\*Estimates are statistically different between California and US within coverage type.

Note: Segments may not add to total contribution due to rounding.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; Kaiser/HRET Employer Health Benefits Survey: 2013.

## California Employer Health Benefits

### Cost of Health Insurance

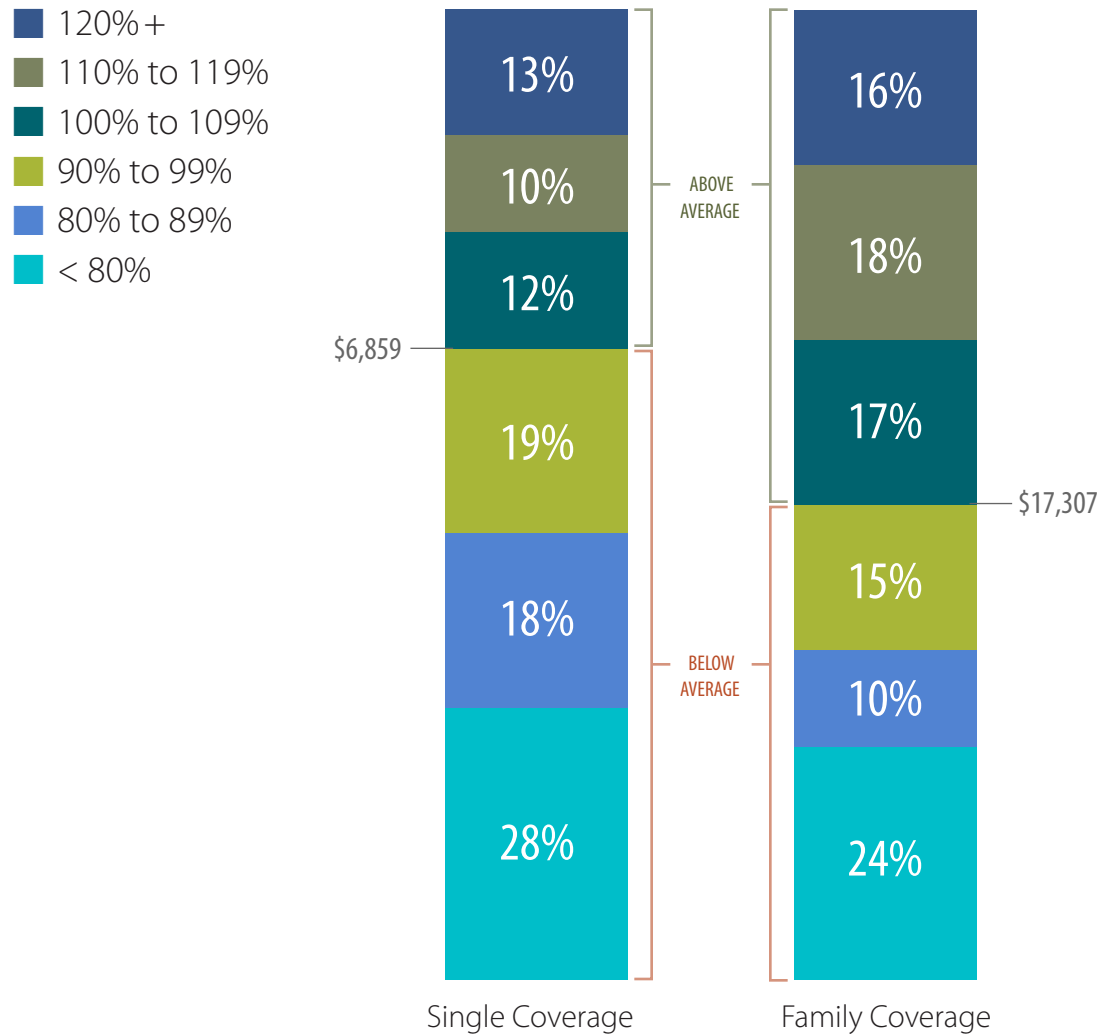
Annual premiums are higher in California than nationally for single coverage, and California employees contribute more toward premiums.

In 2013, workers in the state contributed an average of \$1,450 toward the premium for single coverage and \$5,252 for family coverage. The corresponding national figures were \$999 for single coverage and \$4,565 for family coverage.

# Premiums Relative to the Average Annual Premium

## Single and Family Coverage, California, 2013

### PERCENTAGE OF AVERAGE



Nearly two-thirds of California's covered workers were in firms that paid less than the average annual premium of \$6,859 for single coverage. In contrast, 13% were in firms paying premiums greater than 120% of the average.

# Worker Share of Premium, by Firm Size

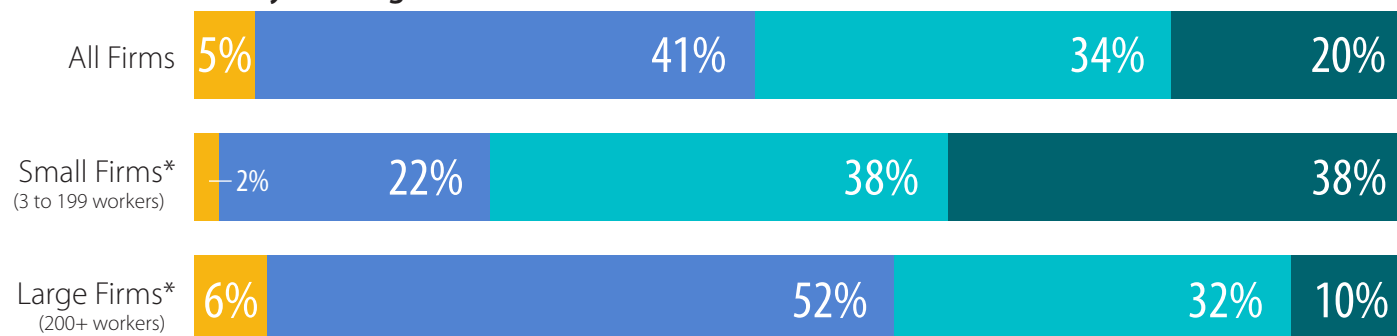
## California, 2013

■ No Contribution   
 ■ >0% to 25%   
 ■ >25% to 50%   
 ■ >50%

### Single Coverage



### Family Coverage



\*Difference is statistically different between small and large firms for family coverage.

Note: Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

## California Employer Health Benefits

### Cost of Health Insurance

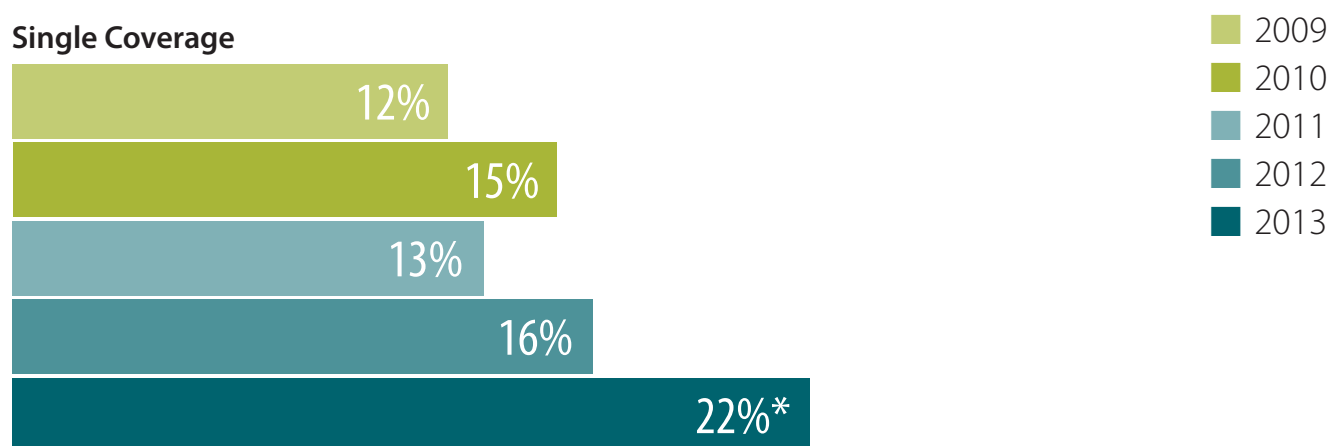
In 2013, 18% of California's covered employees were in firms that paid the full premium for single coverage. Employees of small firms were much more likely to pay more than half of the premium for family coverage than employees of large firms.



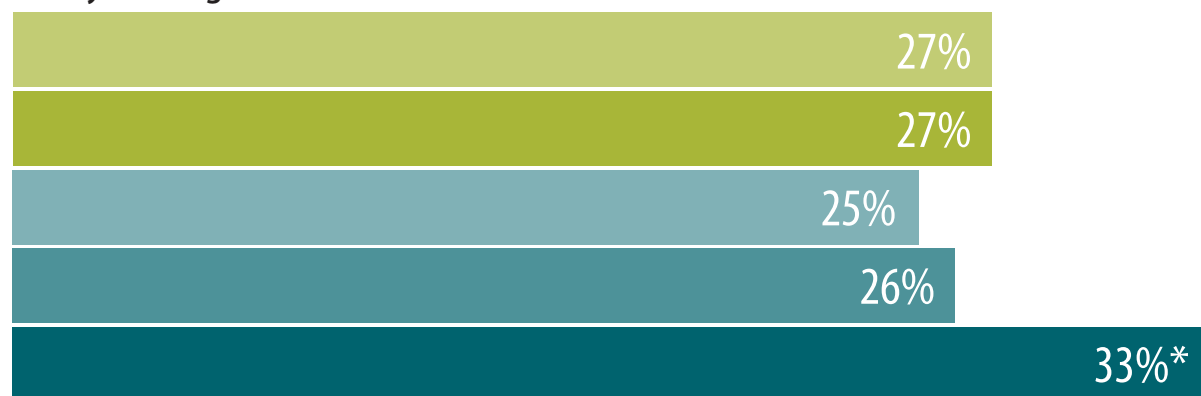
# Worker Share of Premium, Single and Family Coverage

California, 2009 to 2013

## Single Coverage



## Family Coverage



\*Estimates are significantly different from previous year shown.

Source: CHCF/NORC California Employer Health Benefits Survey: 2009–2013.

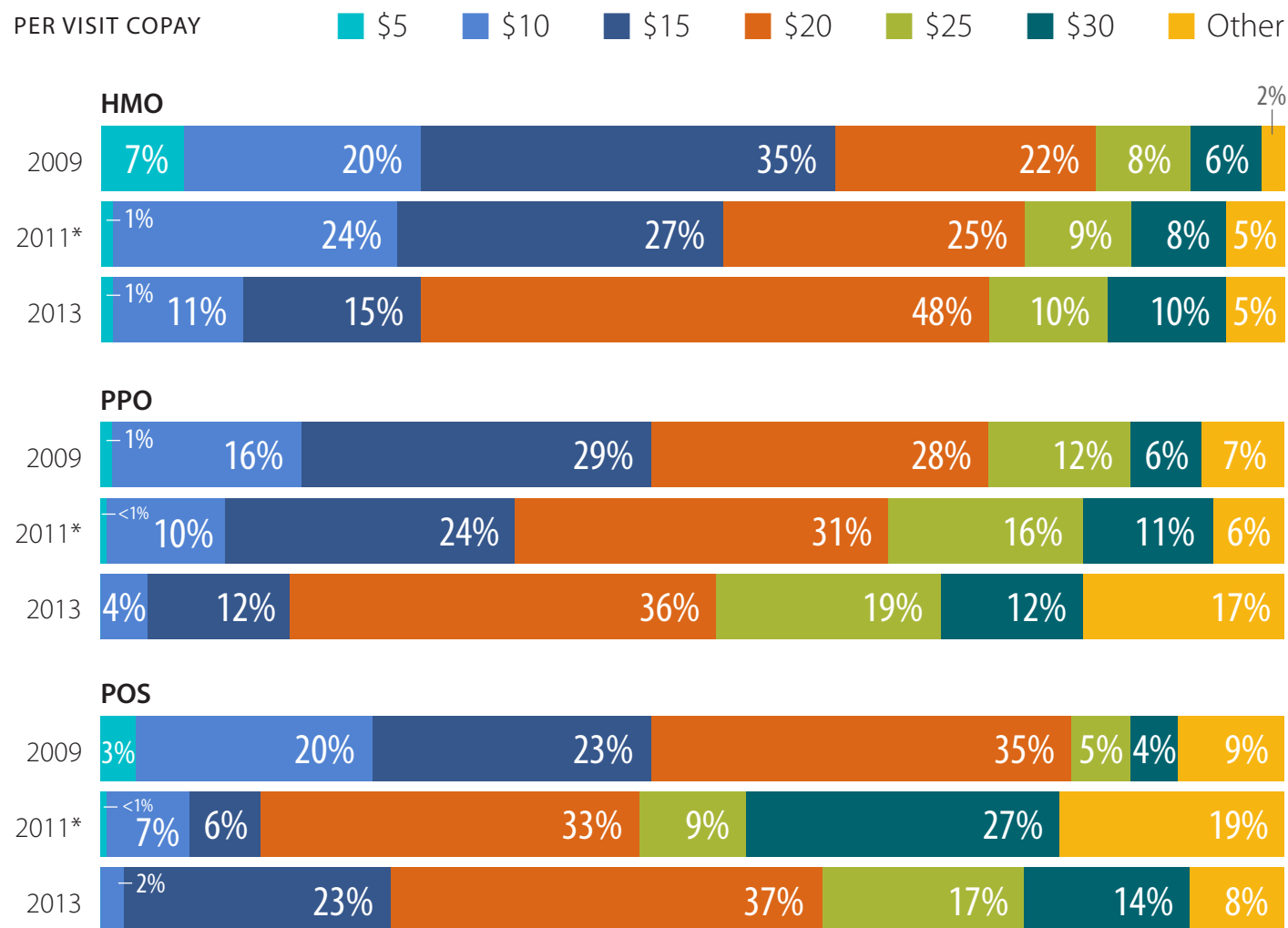
## California Employer Health Benefits

Cost of Health Insurance

California workers paid an average of 22% of the total premium for single coverage and 33% for family coverage in 2013. Their annual premium contributions were \$1,450 and \$5,252, respectively (not shown).

# Workers with Specified Office Visit Copayments, by Plan Type

## California, 2009 to 2013, Selected Years



\*Distribution is statistically different from previous year shown.

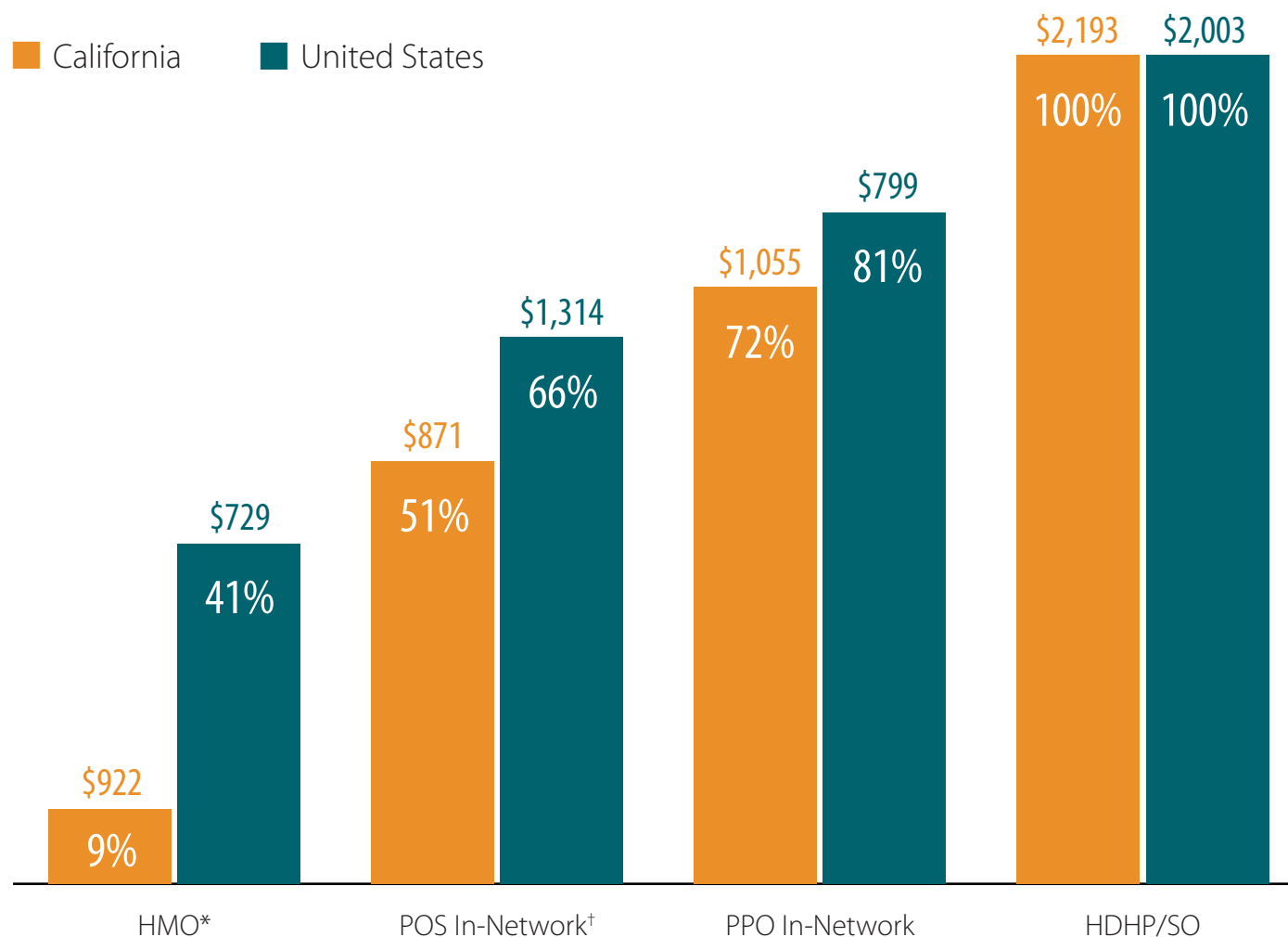
Notes: POS means point-of-service plan. Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2009, 2011, 2013.

Copayments for office visits increased substantially for all types of plans from 2009 to 2013, with \$20 the most common amount across all plan types.

# Workers with Annual Deductible, Single Coverage

## by Plan Type, California vs. United States, 2013



\*Percentages are significantly different between California and US.

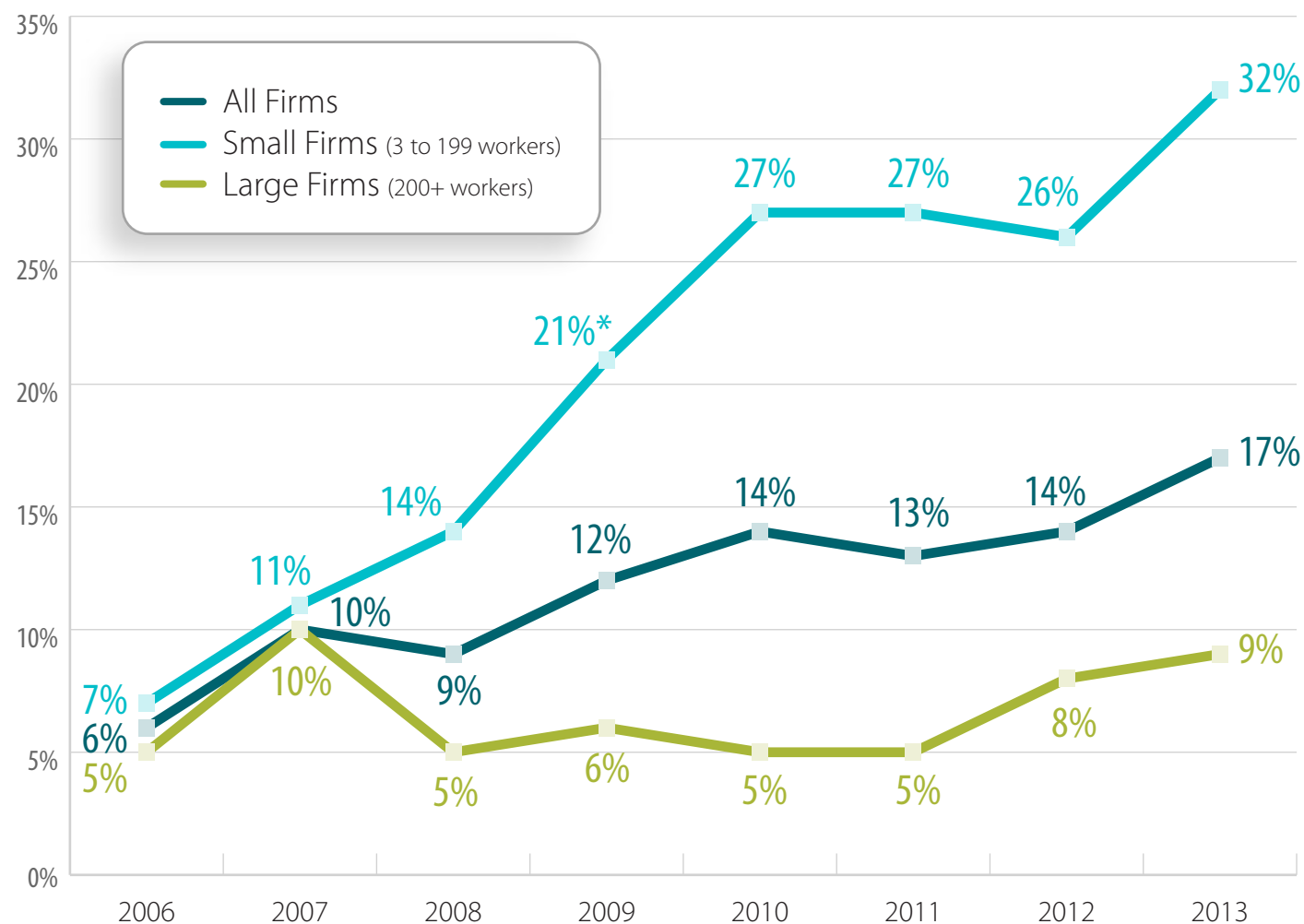
†Average deductibles are significantly different between California and US.

Notes: POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; Kaiser/HRET Employer Health Benefits Survey: 2013.

Workers with single coverage enrolled in HMOs were less likely to have a deductible in California than in the nation as a whole. The prevalence for other plan types was comparable in 2013.

# Workers with a Large Deductible (\$1,000+), Single Coverage by Firm Size, California, 2006 to 2013



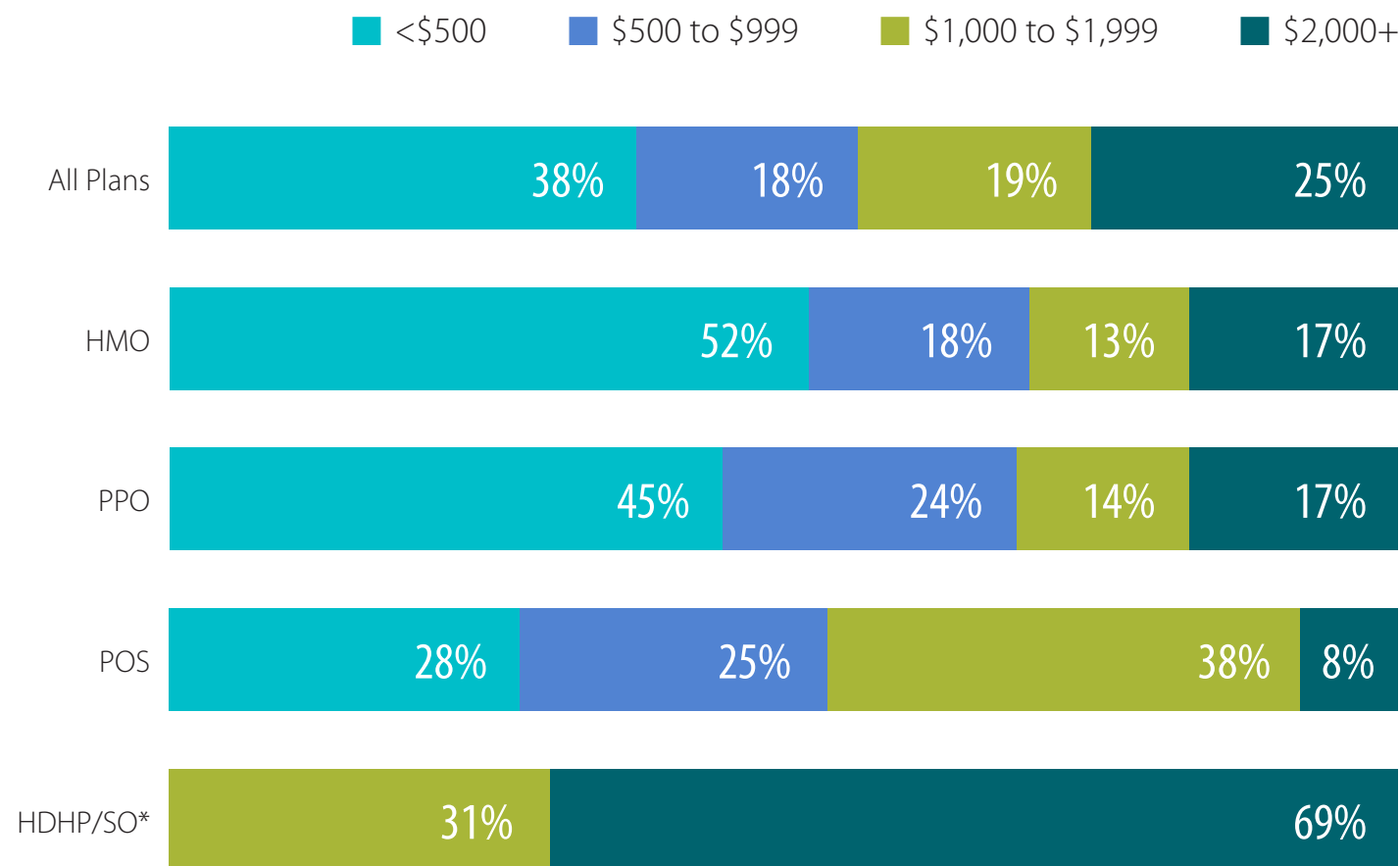
\*Estimate is statistically different from previous year shown within firm size.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007–2013; CHCF/HSC California Employer Health Benefits Survey: 2006.

Annual deductibles of \$1,000 or more for single coverage have become more common in firms with 3 to 199 workers. The percent has more than doubled since 2008.

# Deductibles for Single Coverage, by Plan Type

## California, 2013



\*Distribution is statistically different from All Plans.

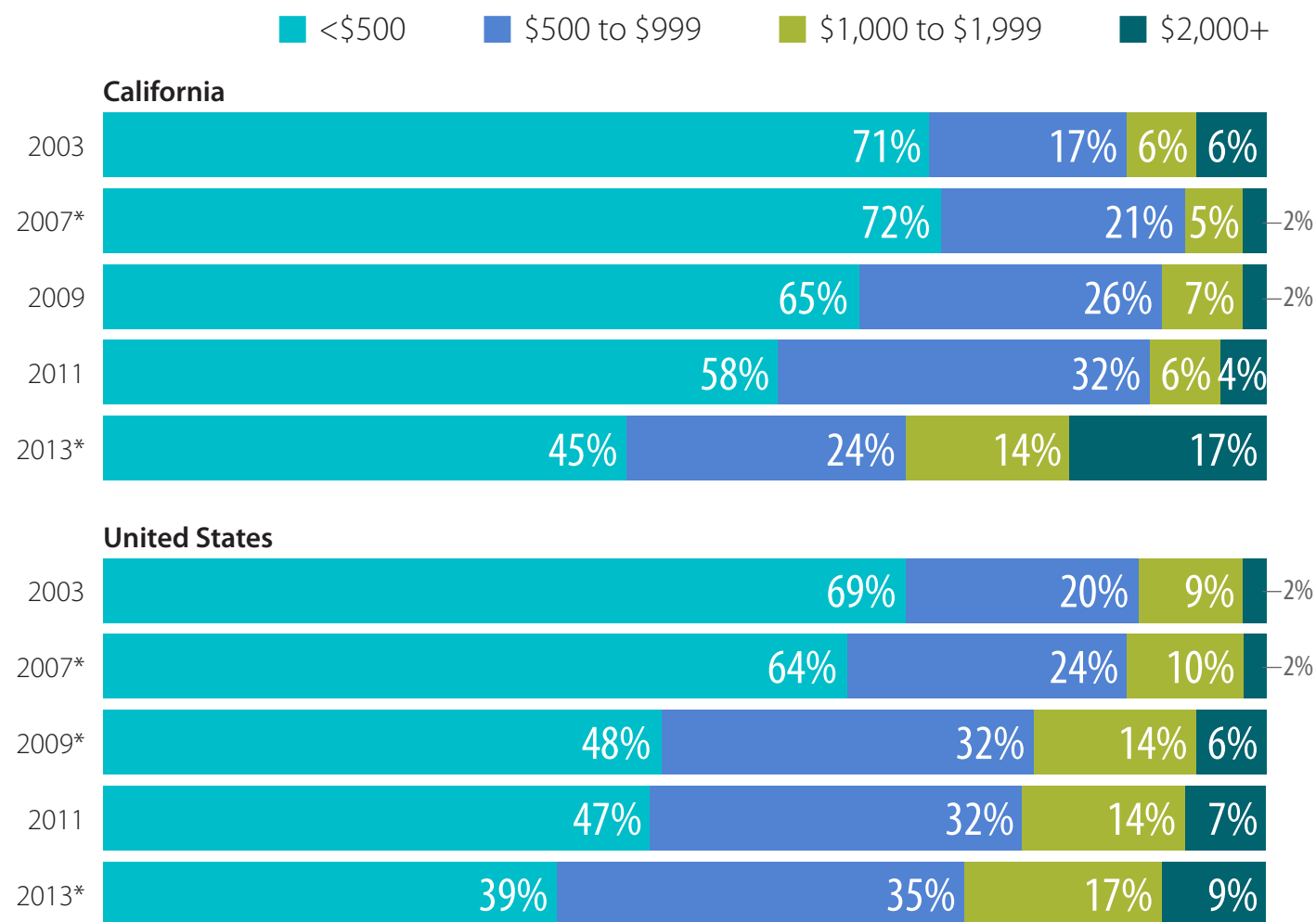
Notes: The data are based on workers with a deductible. POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage. Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

Among California workers with a deductible for single coverage, 38% had an annual deductible of less than \$500, while 44% had a deductible of \$1,000 or more.

# Deductibles for Single PPO Coverage

California vs. United States, 2003 to 2013, Selected Years



\*Distribution is statistically different from previous year shown.

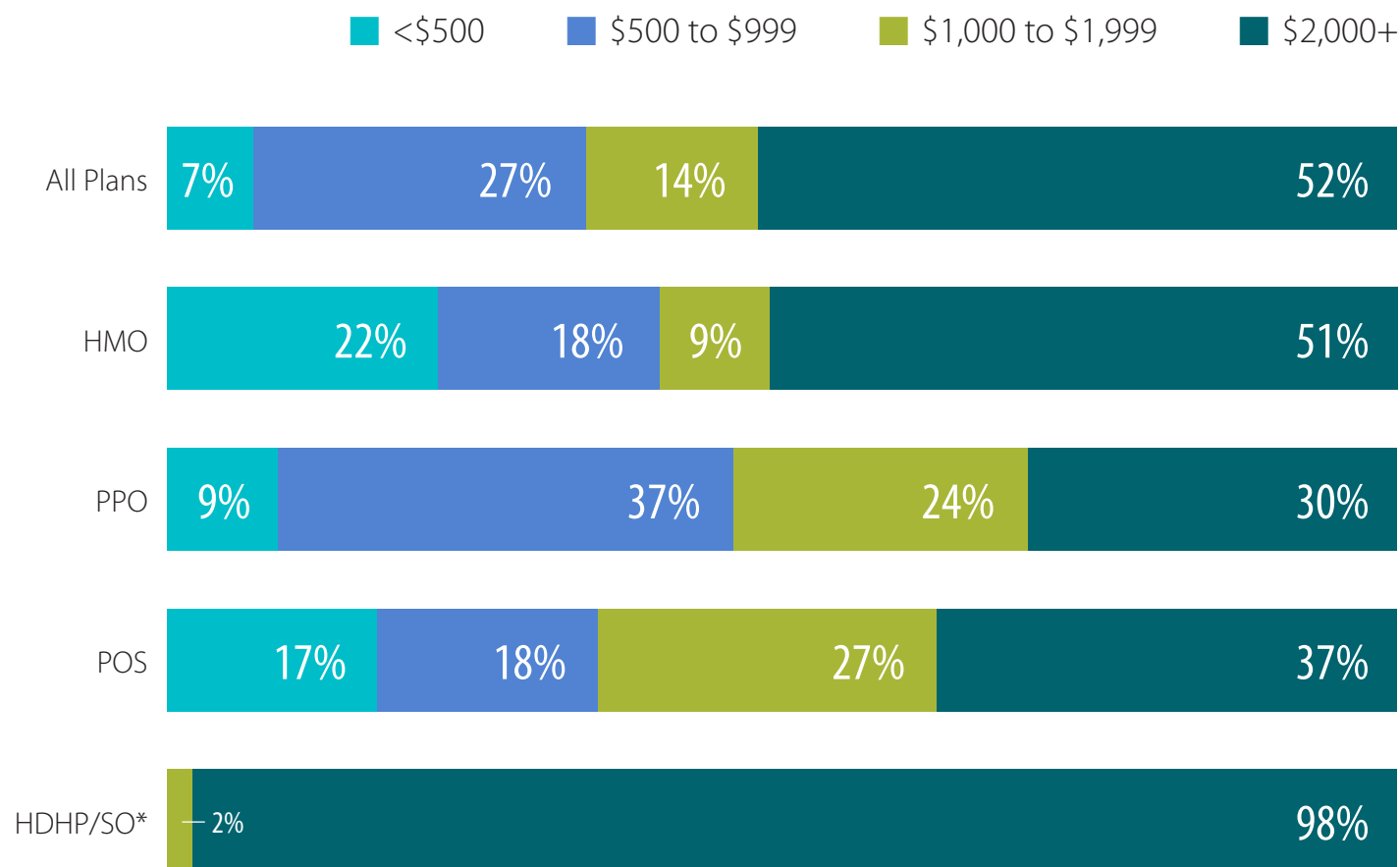
Note: Values may not add to 100% due to rounding.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007, 2009, 2011, 2013; Kaiser/HRET California Employer Health Benefits Survey: 2003; author analyses of data from the Kaiser/HRET Employer Health Benefits Survey public use file: 2003, 2007, 2009, 2011, 2013.

Since 2003, California workers have experienced significant increases in deductibles for PPO coverage. In 2013, a majority of workers face deductibles of \$500 or more.

# Deductibles for Family Coverage, by Plan Type

## California, 2013



\*Distribution is statistically different from All Plans.

Notes: The data are based on workers with a deductible. POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$2,000 for family coverage. Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

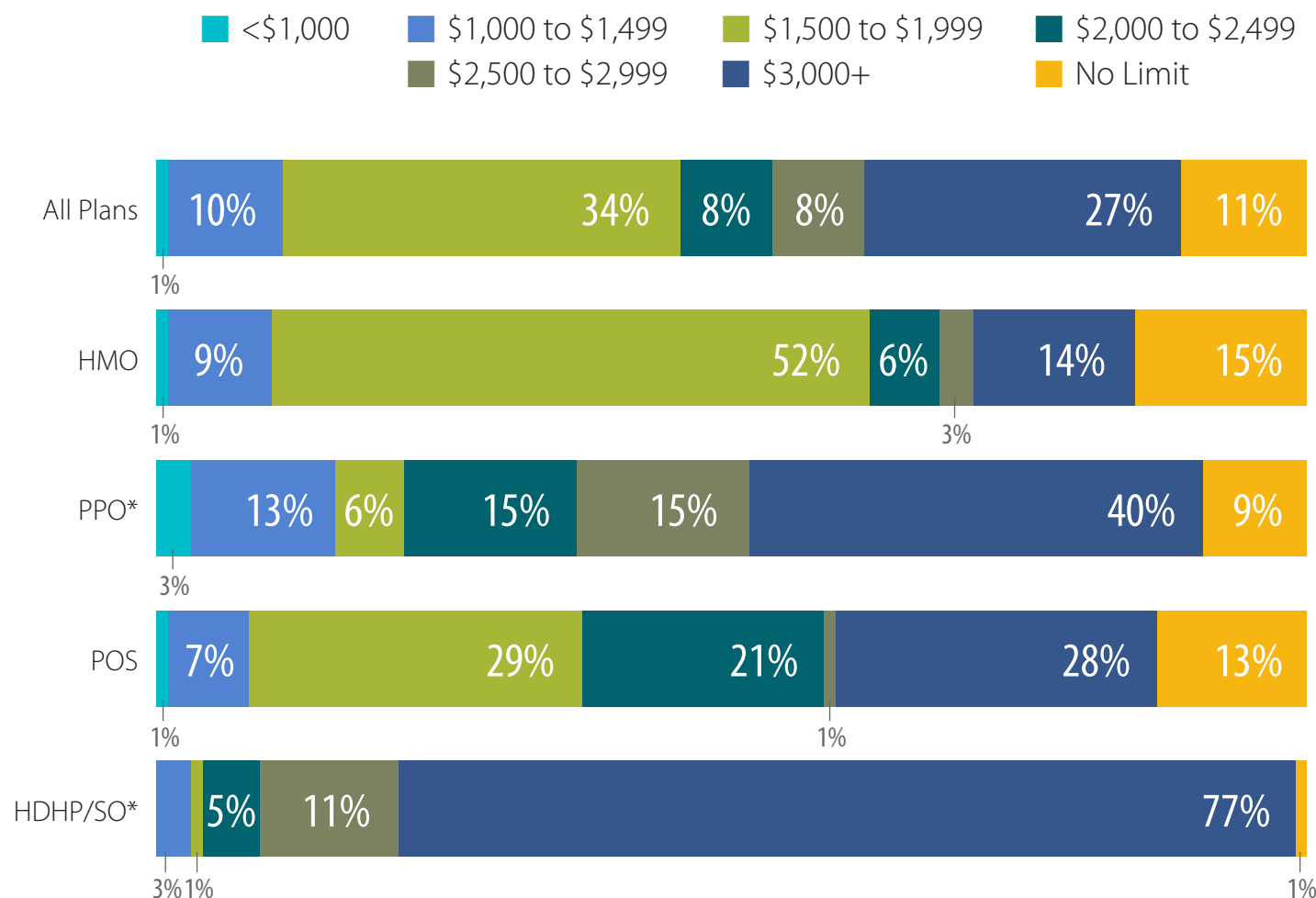
### California Employer Health Benefits

#### Benefits and Cost Sharing

Among California workers with an aggregate family deductible, 34% had a deductible of less than \$1,000 for family coverage, while 52% faced an annual family deductible of \$2,000 or more.

# Annual Out-of-Pocket Limits, Single Coverage, by Plan Type

## California, 2013



\*Distribution is statistically different from All Plans.

Notes: Since HMOs typically provide very comprehensive coverage, not having a limit on out-of-pocket expenditures does not expose enrollees to the same financial risk as it could in other plan types. POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage. Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

The large majority of covered workers (89%) with single coverage had an annual out-of-pocket limit.

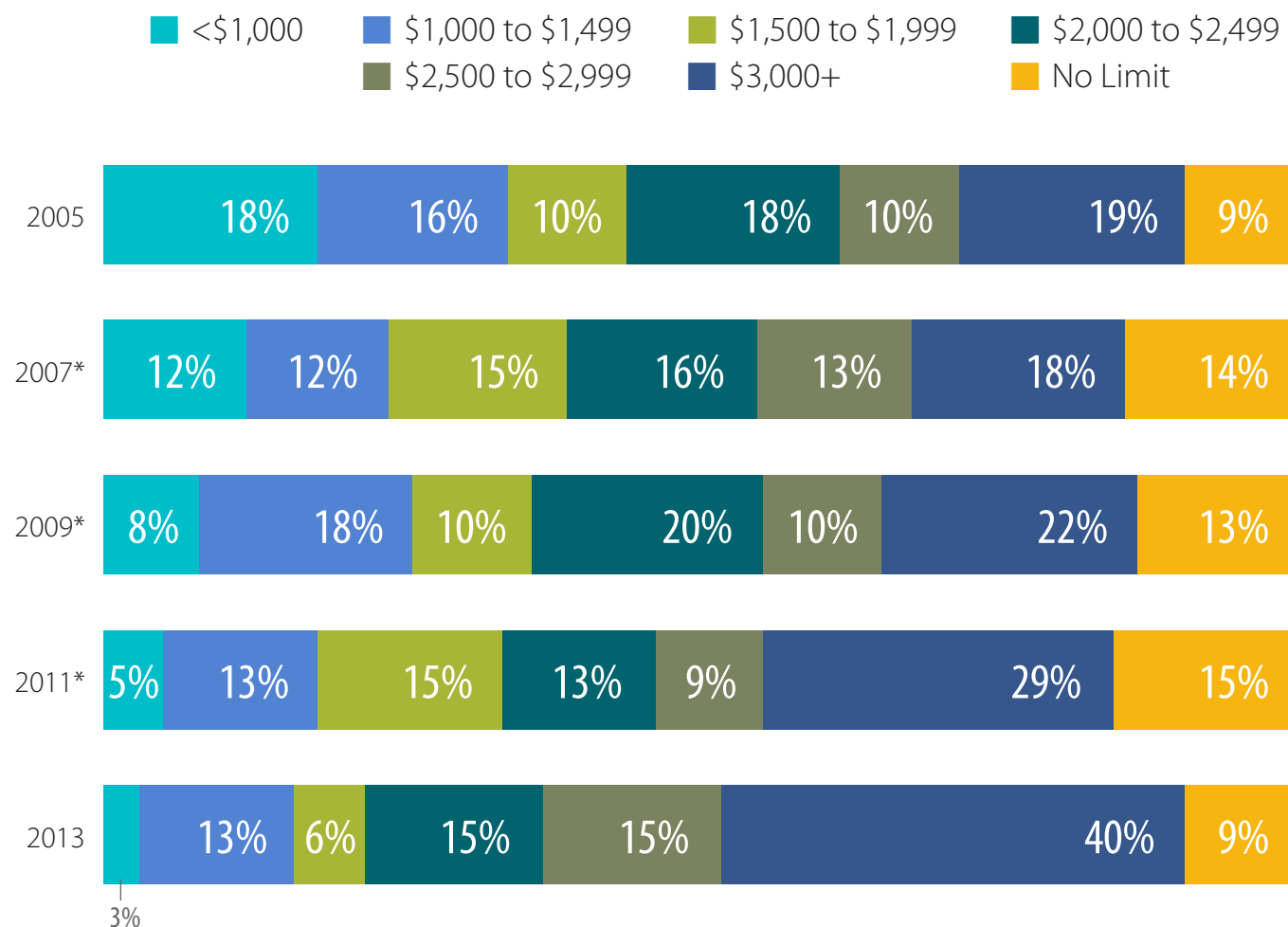
For 27% of workers, the limit was \$3,000 or more.

Among workers in a high-deductible health plan with a savings option (HDHP/SO), more than three-fourths had a limit of \$3,000 or more.



# Annual Out-of-Pocket Limits, Single PPO Coverage

California, 2005 to 2013, Selected Years



\*Distribution is statistically different from previous year shown.

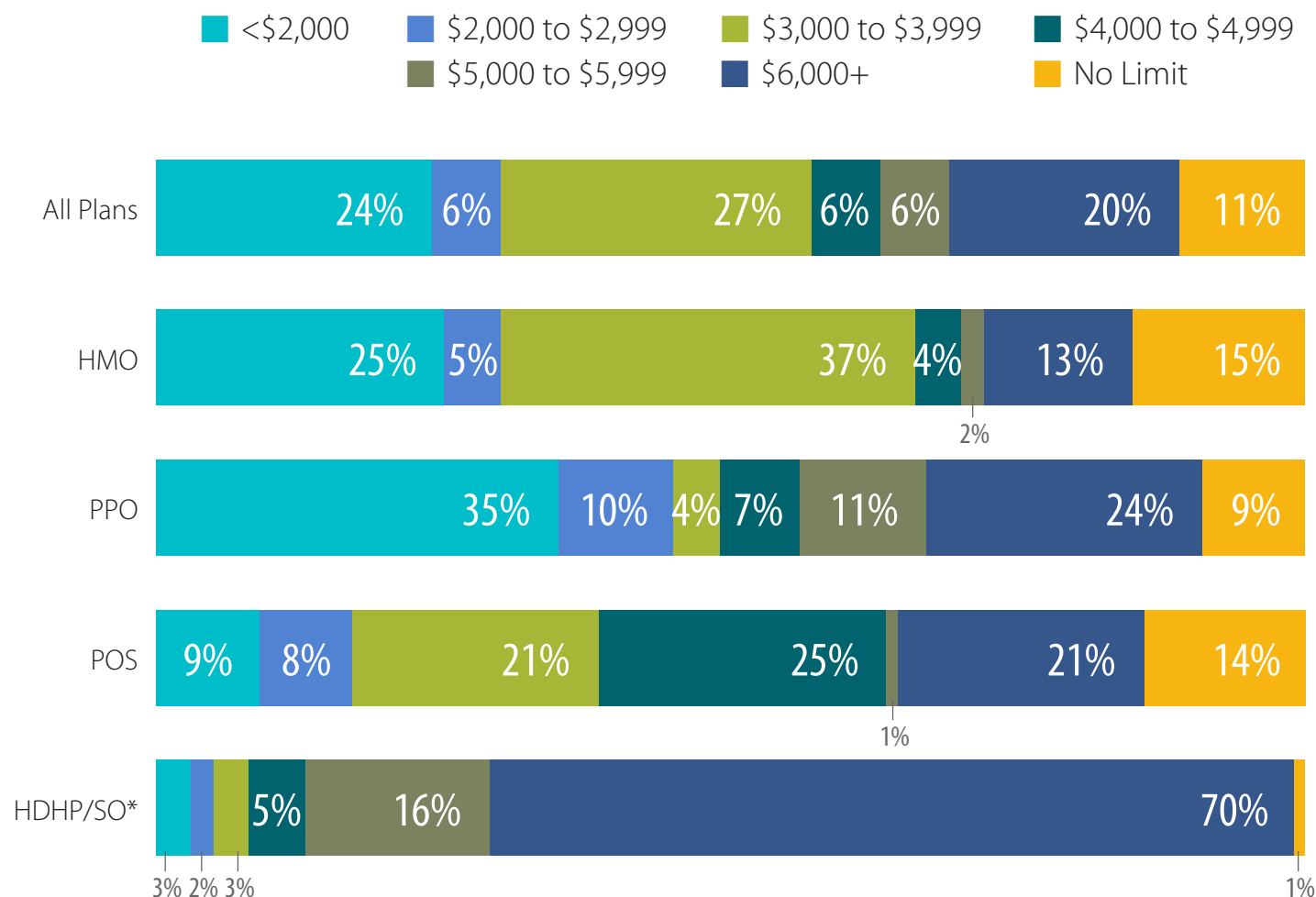
Note: Values may not add to 100% due to rounding.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007, 2009, 2011, 2013; CHCF/HSC California Employer Health Benefits Survey: 2005.

Only 16% of California workers in PPOs had an out-of-pocket limit of less than \$1,500 in 2013, compared to 34% in 2005. Limits of \$3,000 or more increased from 29% in 2011 to 40% in 2013.

# Annual Out-of-Pocket Limits, Family Coverage, by Plan Type

## California, 2013



\*Distribution is statistically different from All Plans.

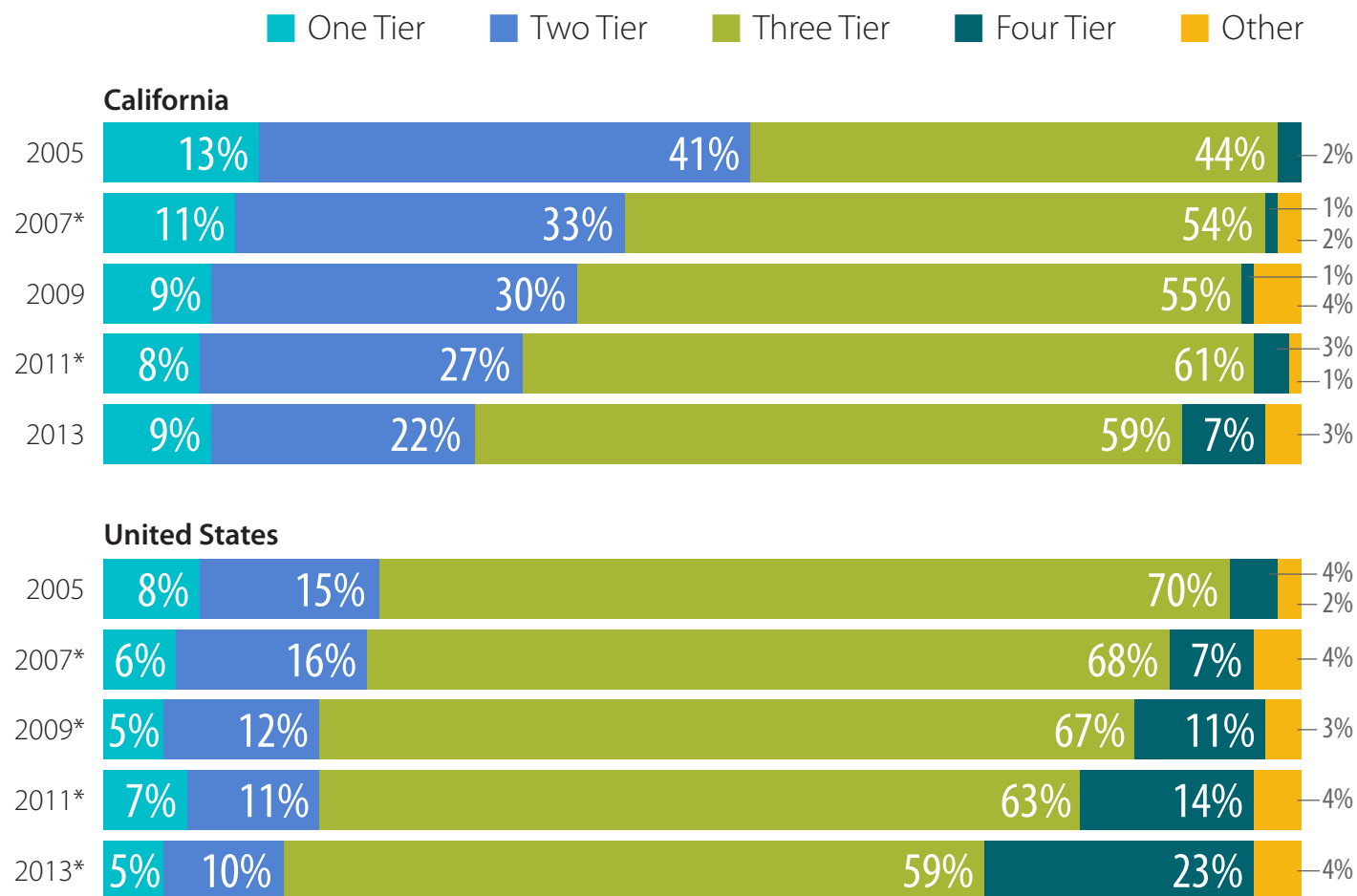
Notes: Since HMOs typically provide very comprehensive coverage, not having a limit on out-of-pocket expenditures does not expose enrollees to the same financial risk as it could in other plan types. POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$2,000 for family coverage.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

Only 24% of covered workers in California with an aggregate out-of-pocket limit for family coverage had an annual limit under \$2,000. Twenty percent had a limit of \$6,000 or more.

# Workers' Cost Sharing for Prescriptions

## California vs. United States, 2005 to 2013, Selected Years



\*Distribution is statistically different from previous year shown.

Definitions: **One tier** is the same cost share regardless of drug type. **Two tier** is one payment for generic drugs and one for name brand. **Three tier** is one payment for generic drugs, another for preferred drugs, and a third for non-preferred drugs. **Four tier** is three-tier cost sharing plus a fourth tier for lifestyle or other specified drugs. **Other** includes no cost sharing.

Note: Values may not add to 100% due to rounding.

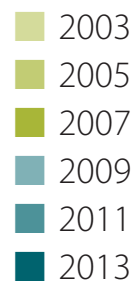
Sources: CHCF/NORC California Employer Health Benefits Survey: 2007, 2009, 2011, 2013; CHCF/HSC California Employer Health Benefits Survey: 2005; author analysis of data from the Kaiser/HRET Survey of Employer-Sponsored Health Benefits public use file: 2005, 2007, 2009, 2011, 2013.

In 2013, 66% of covered California workers had a three- or four-tier cost-sharing formula for prescription drugs. Nationally, 82% of covered workers were subject to three- or four-tier formulas.

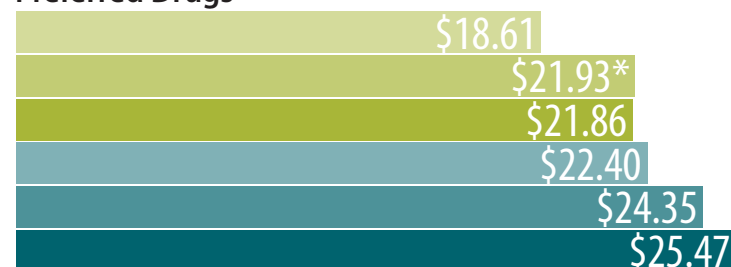
# Average Prescription Copayments, by Drug Type

California, 2003 to 2013, Selected Years

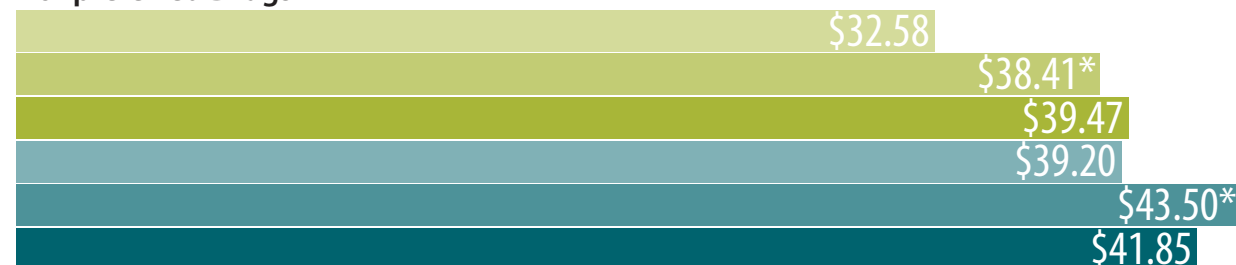
## Generic Drugs



## Preferred Drugs



## Nonpreferred Drugs



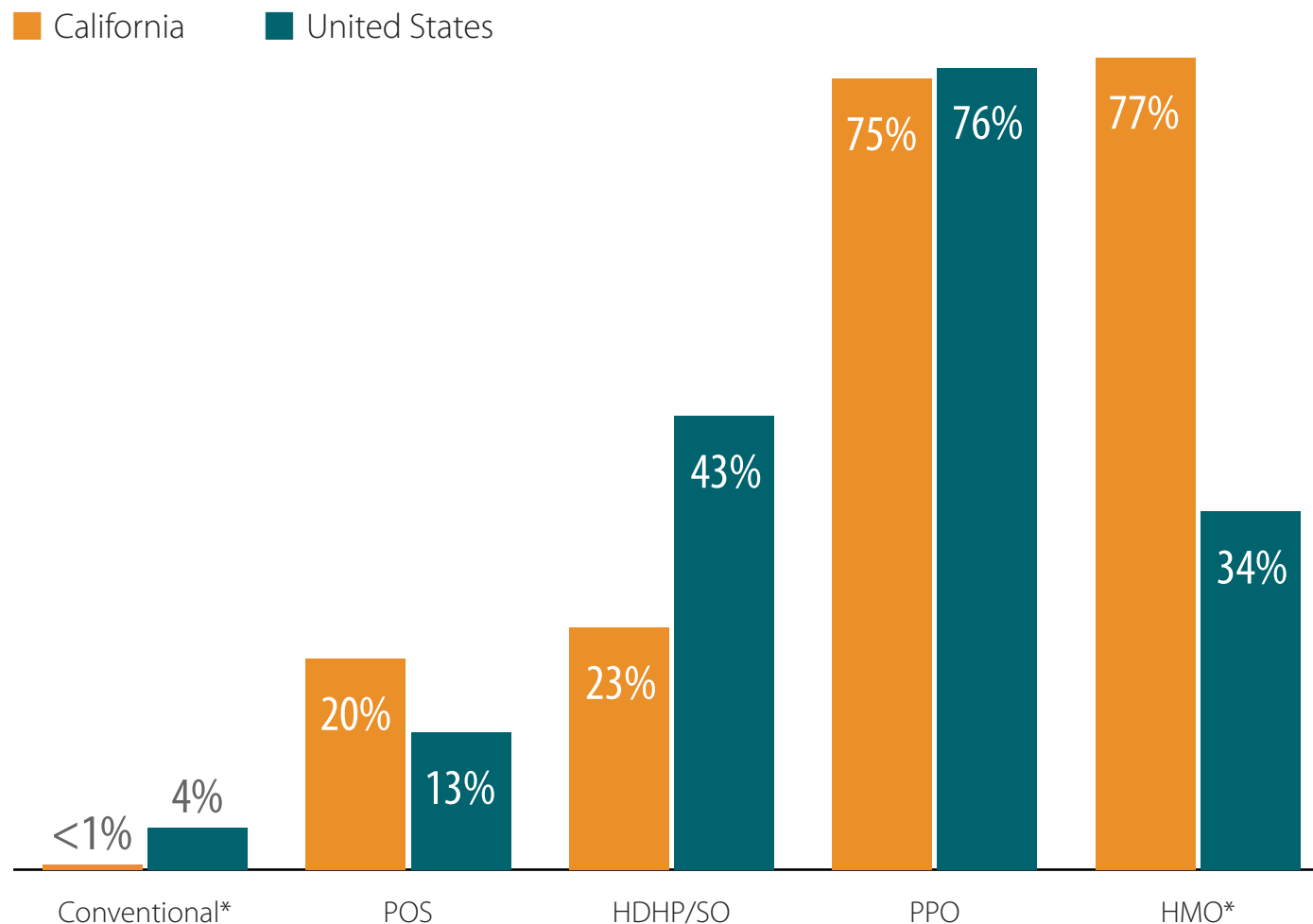
\*Estimate is statistically different from previous year shown.

Sources: CHCF/NORC California Employer Health Benefits Survey: 2007, 2009, 2011, 2013; CHCF/HSC California Employer Health Benefits Survey: 2005; Kaiser/HRET California Employer Health Benefits Survey: 2003.

In 2013, average copayments for generic drugs were less than half what they were for preferred drugs, and about one-fourth what they were for nonpreferred drugs.

# Worker Health Plan Options, by Type

## California vs. United States, 2013



\*Estimates are statistically different between California and US.

Notes: POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013; Kaiser/HRET Employer Health Benefits Survey: 2013.

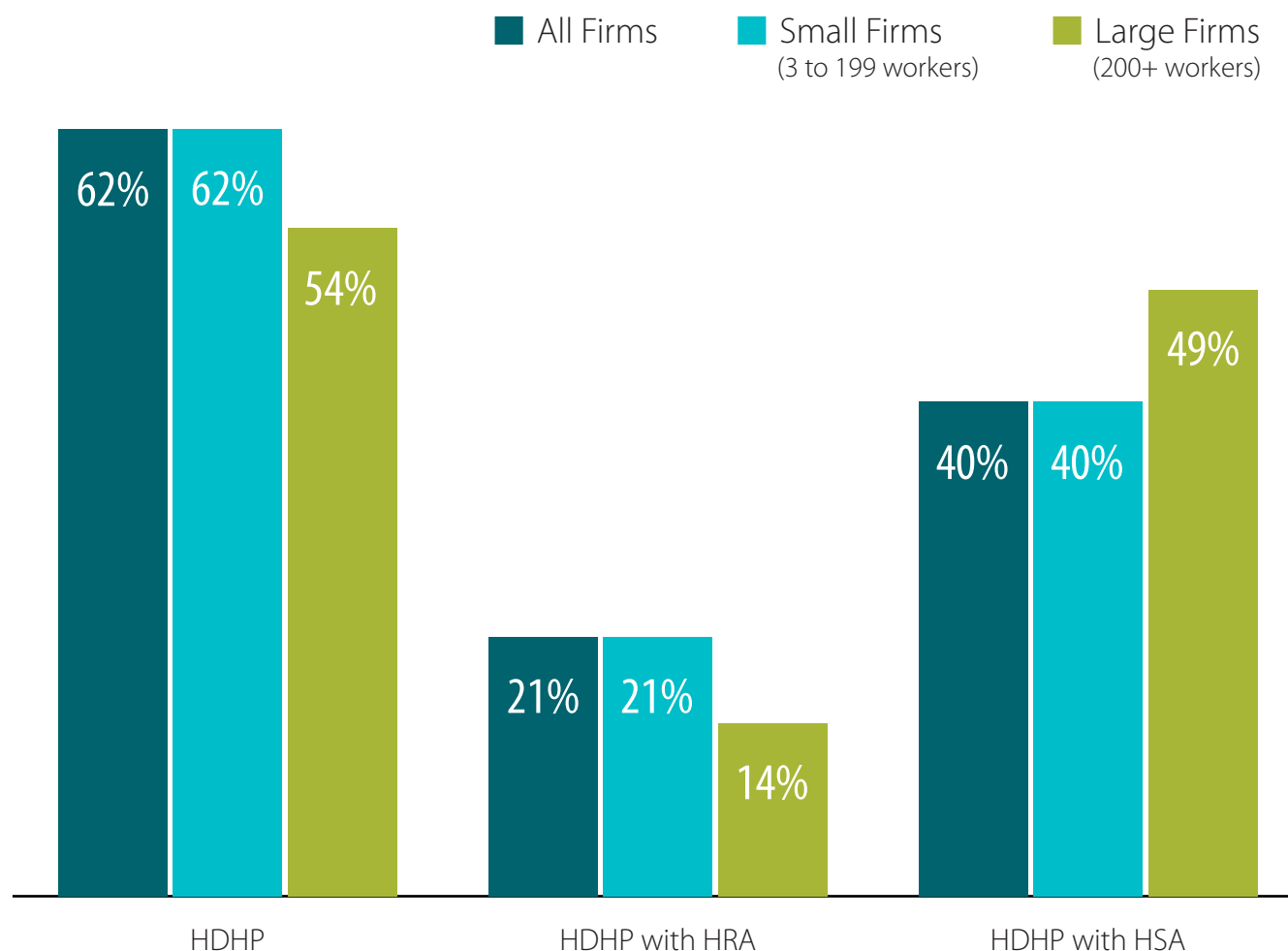
### California Employer Health Benefits

#### Plan Choice and Enrollment

Over three-fourths of covered California workers had an HMO option in 2013, compared to only one-third of covered workers nationally.

# Firms Offering a High-Deductible Health Plan, by Firm Size

## California, 2013



### California Employer Health Benefits

#### Plan Choice and Enrollment

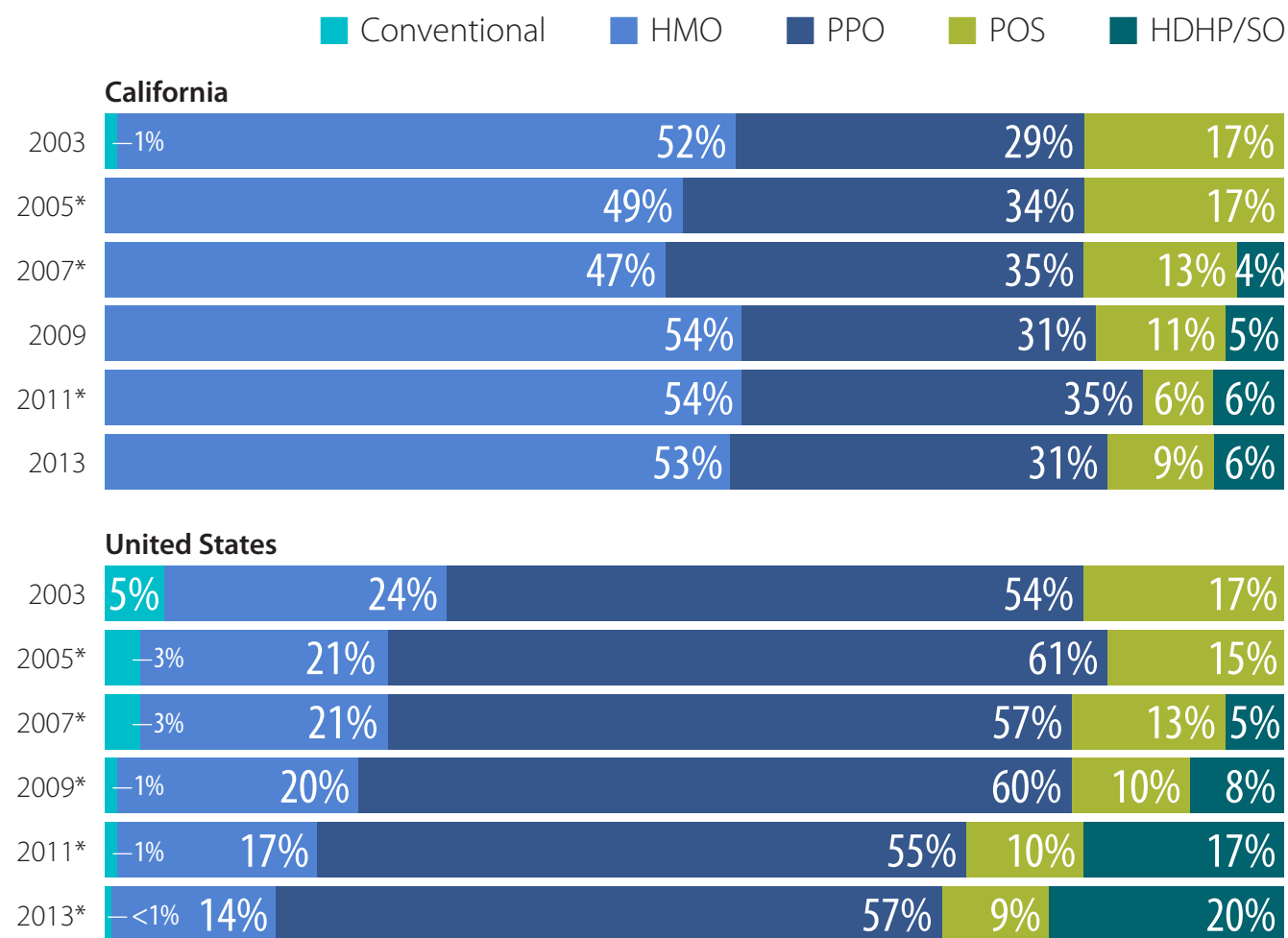
Sixty-two percent of all California firms offered a high-deductible plan in 2013. Of these firms, 21% offered a high-deductible plan with an HRA, while 40% offered a high-deductible plan with an HSA.

Notes: HDHP means high-deductible health plan, HRA means health reimbursement arrangement, and HSA means health savings account. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage. Tests found no statistically different estimates between small firms and large firms.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

# Enrollment of Covered Workers, by Plan Type

## California vs. United States, 2003 to 2013, Selected Years



\*Distribution is statistically different from previous year shown.

Notes: POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage. Values may not add to 100% due to rounding.

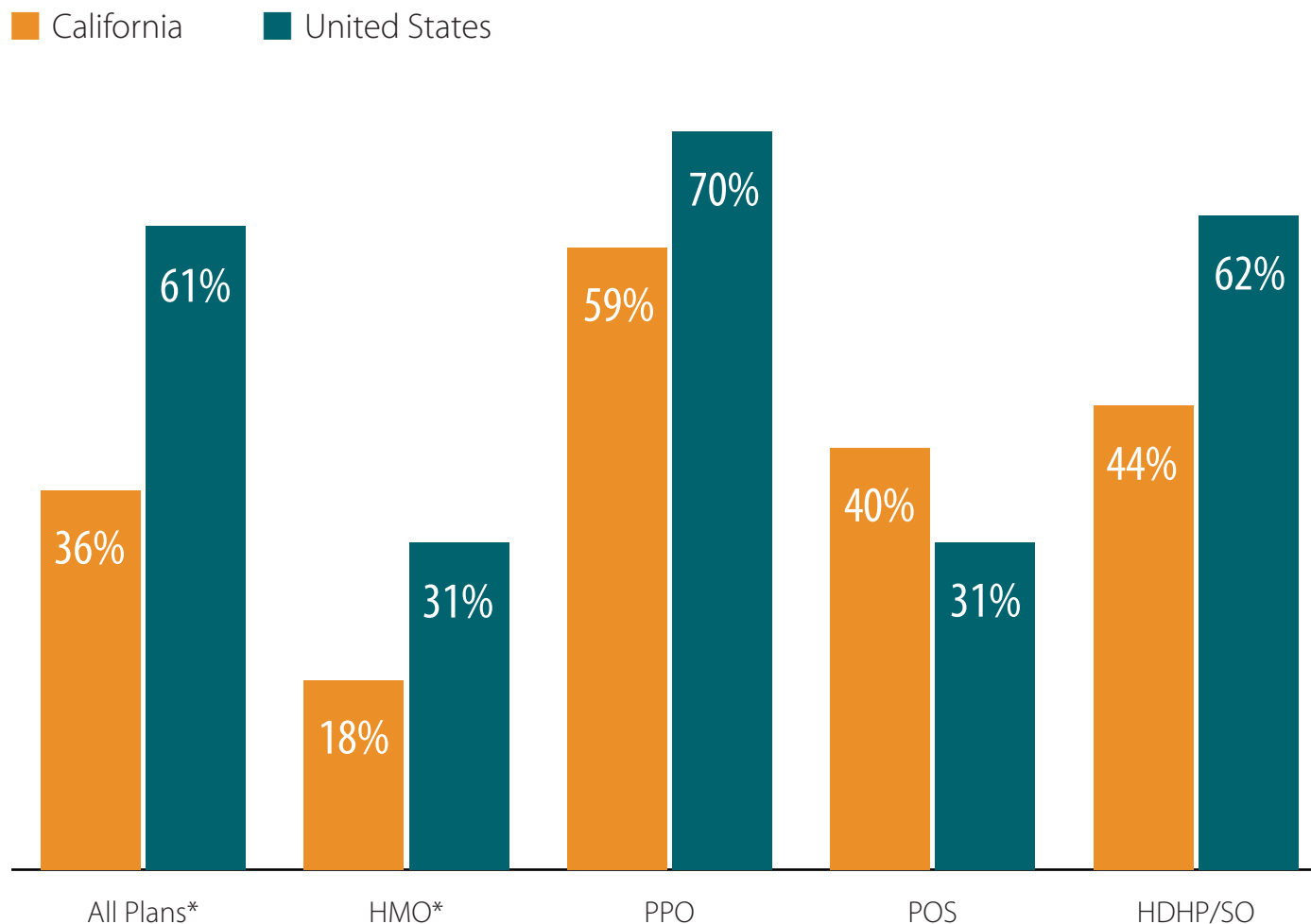
Sources: CHCF/NORC California Employer Health Benefits Survey: 2007, 2009, 2011, 2013; CHCF/HSC California Employer Health Benefits Survey: 2005; Kaiser/HRET California Employer Health Benefits Survey: 2003; author analyses of data from Kaiser/HRET Employer Health Benefits Survey public use file: 2003, 2005, 2007, 2009, 2011, 2013.

California workers have been consistently more likely to enroll in HMOs than covered workers nationally. Conversely, PPOs are more popular in the nation as a whole than in California.

Enrollment in high-deductible plans with a savings option has been stable in California since 2007, contrary to the national trend of increasing enrollment.

# Employees in Self-Insured Plans, by Plan Type

## California vs. United States, 2013



\*Estimate is statistically different between California and US.

Notes: Self-insured plans are plans for which an employer assumes some or most responsibility for paying health care claims rather than buying coverage from an insurer. POS means point-of-service plan. HDHP/SO means high-deductible health plan with savings option (deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage).

Sources: CHCF/NORC California Employer Health Benefits Survey: 2013; Kaiser/HRET Employer Health Benefits Survey: 2013.

### California Employer Health Benefits

#### Plan Choice and Enrollment

Thirty-six percent of workers in California were enrolled in a partly or completely self-insured plan in 2013, compared with 61% nationally.

The gap between the state and national figures is associated with California's high HMO enrollment, since HMOs are less likely than other plans to be self-insured.



# Likelihood of Firms Making Changes in the Next Year

## by Type of Change, California, 2013

Very Somewhat Not Too Not at All Don't Know

Increase the Amount Employees Pay for Premiums



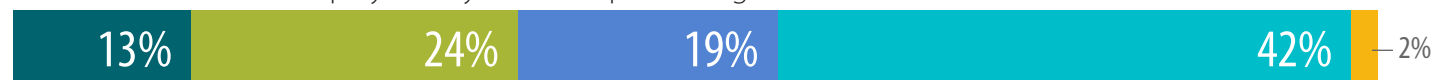
Increase the Amount Employees Pay for Deductibles



Increase the Amount Employees Pay for Coinsurance or Copays



Increase the Amount Employees Pay for Prescription Drugs



Restrict Employee Eligibility for Coverage



Drop Coverage Entirely



Note: Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

## California Employer Health Benefits Changes

Forty-four percent of California employers reported they are very likely or somewhat likely to increase the amount that workers pay for premiums in the next year, while 34% said they are very or somewhat likely to increase employees' deductibles.

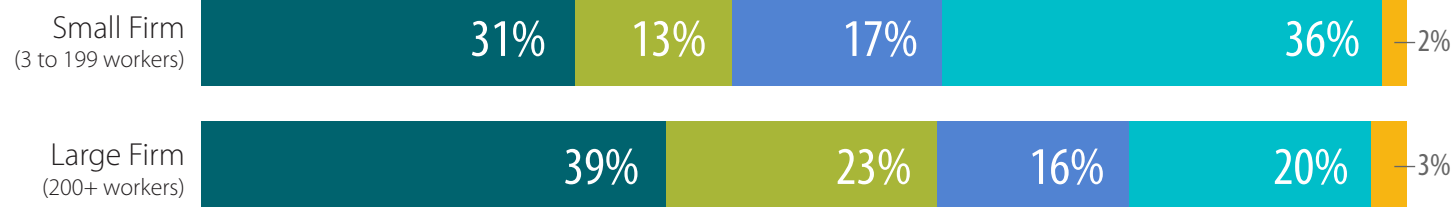
# Likelihood of Firms Making Select Changes in the Next Year

## by Firm Size, California, 2013

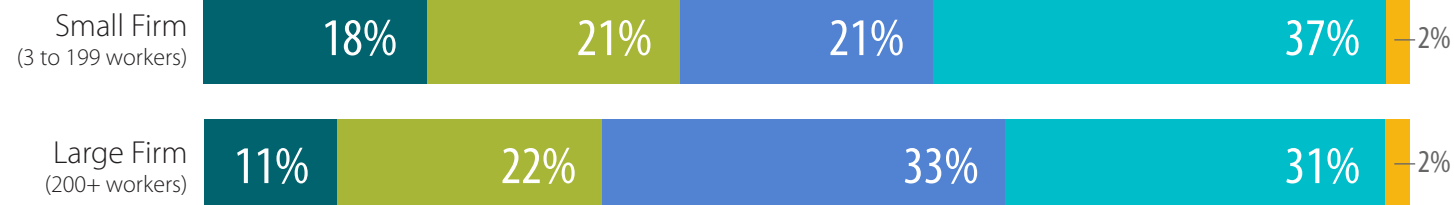
Sixty-two percent of large employers in California reported that they are very likely or somewhat likely to increase the amount employees pay for health premiums in the coming year, versus 44% of small firms.

Very Somewhat Not Too Not at All Don't Know

### Employee Premium Contribution Increases



### Coinsurance or Copay Increases



Note: Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

# Firms that Made Selected Changes in the Past Year

## by Firm Size and Region, California, 2013

REDUCED SCOPE OF  
HEALTH BENEFITS OR  
INCREASED COST SHARING

FIRM SIZE	
<b>Small Firms</b> (3 to 199 workers)	<b>24%</b>
<b>Large Firms</b> (200+ workers)	<b>31%</b>
• 200 to 999 workers	27%
• 1,000+ workers	36%
REGION	
Los Angeles	28%
San Francisco	15%
Rest of State	24%
<b>All Firms</b>	<b>24%</b>

### California Employer Health Benefits Changes

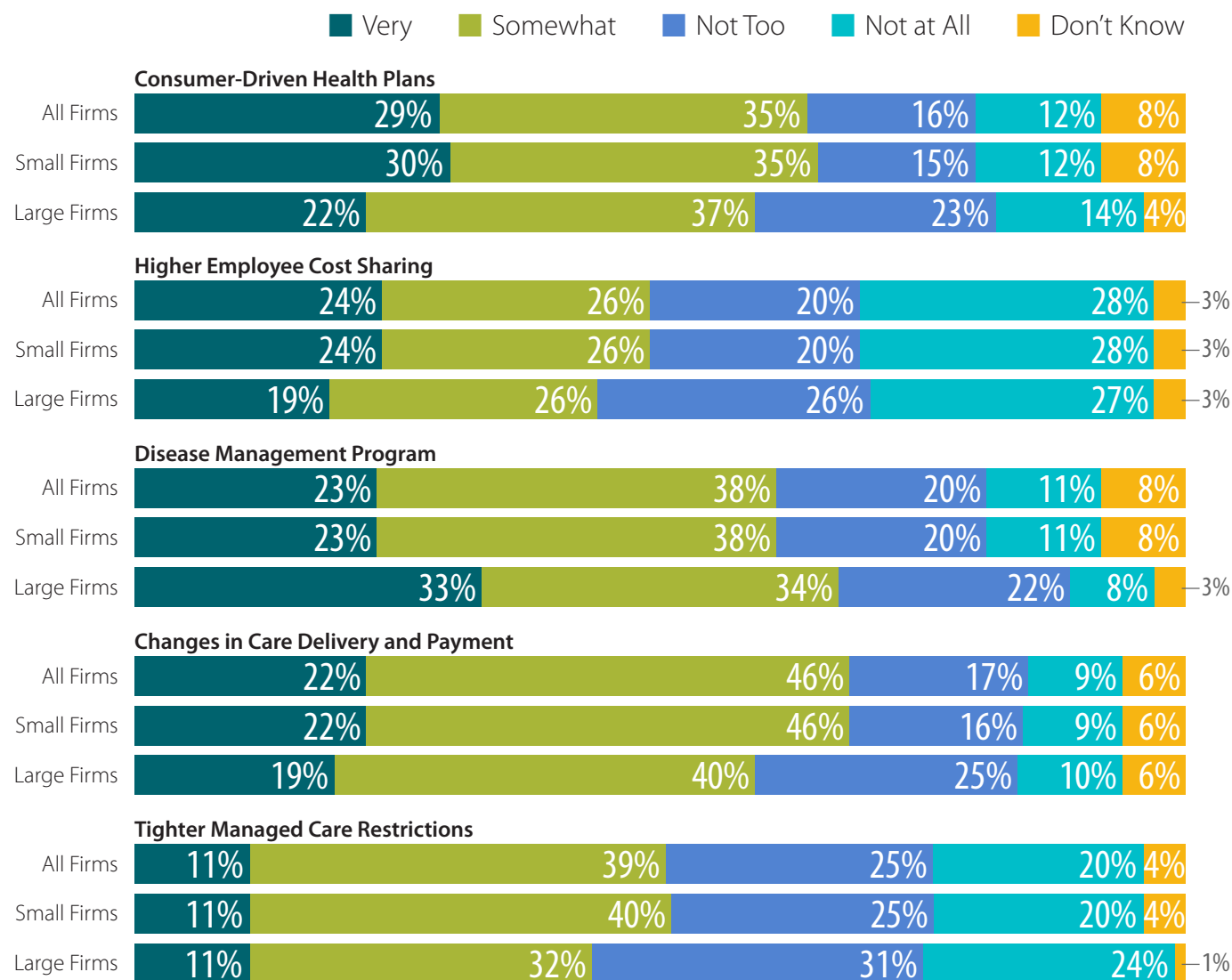
Nearly one in four California firms increased cost sharing for workers or reduced the scope of their health benefits in the past year.

Note: Los Angeles and San Francisco are defined as the metropolitan statistical area (MSA).

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

# Employer Views of Efficacy of Cost-Controlling Measures

## by Firm Size, California, 2013



Definitions: **Small firms** have 3 to 199 workers. **Large firms** have 200+ workers.

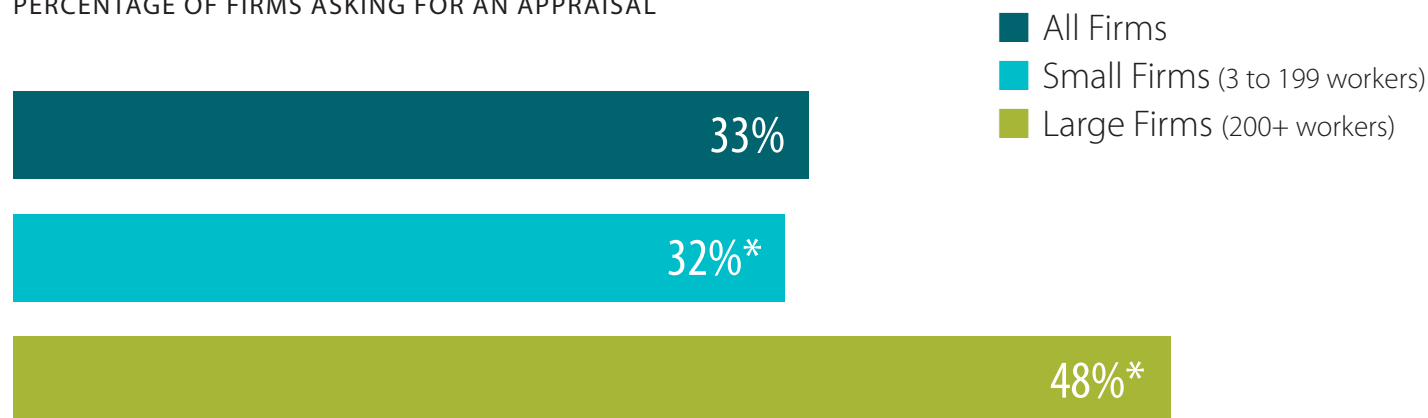
Note: Values may not add to 100% due to rounding.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

California employers viewed consumer-driven health plans, disease management programs, and changes in care delivery and payment as the most effective in controlling health costs.

# Firms Asking Employees to Complete a Health Risk Appraisal by Firm Size, 2013

PERCENTAGE OF FIRMS ASKING FOR AN APPRAISAL



OF THESE FIRMS, PERCENTAGE THAT OFFERED FINANCIAL INCENTIVE TO DO SO



\*Estimate is statistically different between all small firms and all large firms.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

One-third of California firms that offer health benefits invite workers to complete a health risk appraisal or assessment, with large firms being significantly more likely to do so.

# Firms Offering Wellness Benefits, 2013

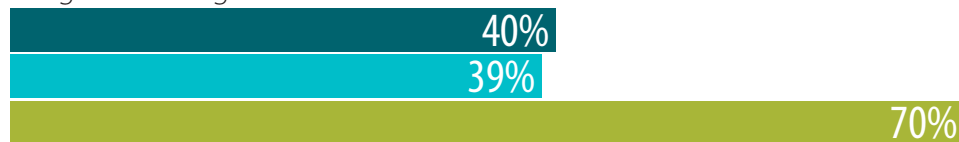
## Web-Based Resources for Healthy Living\*



## Smoking Cessation Program\*



## Weight Loss Program\*



## Personal Health Coaching\*



## Classes in Nutrition or Healthy Living\*



## Biometric Screening Such as Blood Pressure or Cholesterol\*



- All Firms
- Small Firms (3 to 199 workers)
- Large Firms (200+ workers)

## California Employer Health Benefits

### Assessments and Incentives

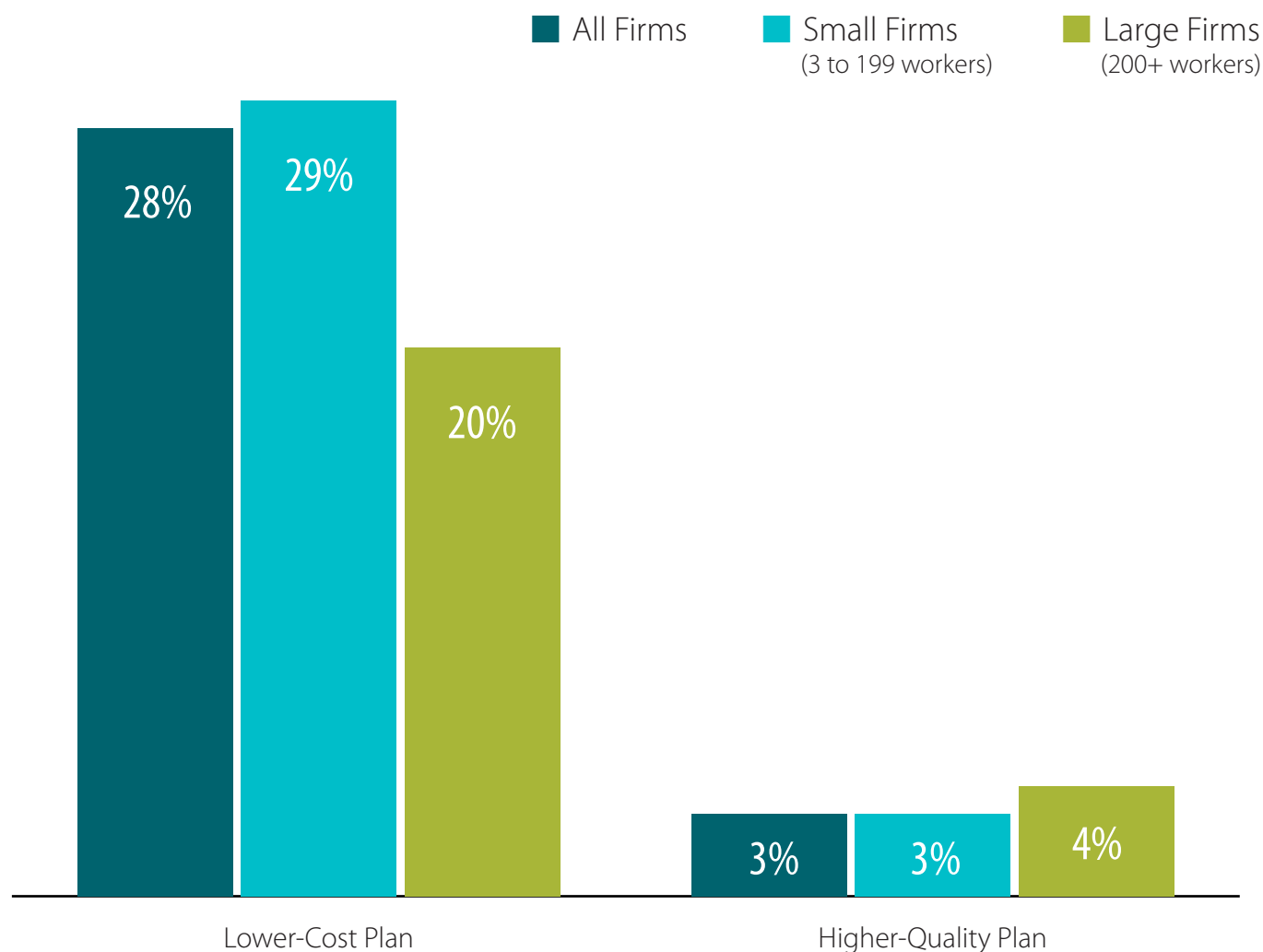
Some wellness benefits were common among California employers in 2013, such as web-based resources for healthy living (60% of firms).

Large firms generally were more likely to offer wellness benefits than were smaller firms.

\*Estimate is statistically different between small firms and large firms.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.

# Firms Offering Financial Incentives to Enroll in Lower-Cost or Higher-Quality Plans, by Firm Size, California, 2013



Twenty-eight percent of California firms offered financial incentives to employees to enroll in a lower-cost plan in 2013. In contrast, only 3% of firms offered financial incentives to enroll in higher-quality plans.

# Awareness of Small-Firm Tax Credit and Consideration of Offering Health Benefits as a Result, California, 2013

PERCENTAGE OF SMALL FIRMS\* NOT OFFERING HEALTH BENEFITS AWARE OF TAX CREDIT



AMONG THESE FIRMS, PERCENTAGE THAT HAS CONSIDERED OFFERING HEALTH BENEFITS DUE TO TAX CREDIT



Just 30% of small California firms not currently offering health benefits were aware of the small-firm tax credit that is part of the Affordable Care Act. Of firms that are aware, 7% have considered offering health insurance due to the tax credit.

\*Firms with 3 to 49 workers.

Source: CHCF/NORC California Employer Health Benefits Survey: 2013.



# Methodology

The *California Employer Health Benefits Survey* is a joint product of the California HealthCare Foundation (CHCF) and the National Opinion Research Center (NORC). The survey was designed and analyzed by researchers at NORC and administered by National Research LLC (NR). The findings are based on a random sample of 651 interviews with employee benefit managers in private firms in California. NR conducted interviews from May to September 2013. As with prior years, the sample of firms was drawn from the Dun & Bradstreet list of private employers with three or more workers. The margin of error for responses among all employers is  $\pm 3.8\%$ , for responses among employers with 3 to 199 workers, it is  $\pm 5.0\%$ ; and among employers with 200+ workers, it is  $\pm 5.9\%$ .

The Kaiser Family Foundation sponsored this survey of California employers from 2000 to 2003. A similar employer survey was also conducted in 1999 in California, in conjunction with the Center for Health and Public Policy Studies at the University of California, Berkeley. The Health Research and Educational Trust (HRET) collaborated on these surveys from 1999 to 2004. The Center for Studying Health System Change collaborated on these surveys from 2005 to 2006.

This survey instrument is similar to a national employer survey conducted annually by the Kaiser Family Foundation and HRET. The US results in this study are either from the published reports, or in a few cases, from author calculations from the survey's public-use files. A full analysis of the US dataset is available on the Kaiser Foundation's website at [www.kff.org](http://www.kff.org). Both the California and US surveys asked questions about health maintenance organizations (HMO), preferred provider organizations (PPO), point-of-service (POS) plans, and high-deductible health plans with a savings option (HDHP/SO). Conventional (fee-for-service) plans are generally excluded from the plan type analyses because they comprise such a small share of the California market.

Many variables with missing information were identified as needing complete information within the database. To control for item

nonresponse bias, missing values within these variables were imputed using a hot-deck approach. Calculation of the weights follows a common approach. First, the basic weight is determined, followed by a survey nonresponse adjustment. Next, the weights are trimmed in order to reduce the influence of weight outliers. Finally, a post-stratification adjustment is applied.

All statistical tests in this chart pack compare either changes over time, a plan-specific estimate with an overall estimate, or subcategories versus all other firms (e.g., firms with 3 to 9 workers vs. all other firms). Tests include t-tests and chi-square tests, and significance was determined at  $p < 0.05$  level. Due to the complex nature of the design, standard errors are calculated in SUDAAN.

**An important note about the methodology:** Rates of change for total premiums, for worker or employer contributions to premiums, and other variables calculated by comparing dollar values in this report to data reported in past CHCF or KFF publications should be used with caution, due to both the survey's sampling design and the way in which plan information is collected. Rates calculated in this fashion not only reflect a change in the dollar values but also a change in enrollment distribution, thus creating a variable enrollment estimate. However, rates of change in premiums are collected directly as a question in the California survey. This rate of change holds enrollment constant between the current year and the previous year, thus creating a fixed enrollment estimate. Because the survey does not collect information on the rate of change in other variables, additional rates are not reported. The national survey conducted by Kaiser/HRET, however, stopped directly collecting rates of change in premiums in its 2008 survey. Therefore, the rate of change in total premiums in the US provided in this report uses a variable enrollment estimate.

Please note that due to a change in the post-stratification methods applied in 2003, the survey data published in this chart book may vary slightly from reports published prior to 2003.

### FOR MORE INFORMATION



CALIFORNIA  
HEALTHCARE  
FOUNDATION

California HealthCare Foundation  
1438 Webster Street, Suite 400  
Oakland, CA 94612  
510.238.1040  
[www.chcf.org](http://www.chcf.org)



NORC at the University of Chicago  
4350 East West Highway Suite 800  
Bethesda, MD 20814  
301.634.9300  
[www.norc.org](http://www.norc.org)